Daily Report

Central Eurasia

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CONTENTS

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DUMA ELECTION ISSUES

Key Developments

Gaydar To Back NDR, Yabloko After Elections *[Moscow ORT]* 1
Savistkiy's Death Seen as 'Planned Killing' *[INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY]* 1
Campaign Ad: NDR Not Ashamed of Being 'Party of Power' *[ROSSIYSKAYA GAZETA 7 Dec]* 1
Campaign Ad Spells Out KRO's '31 Principles' *[IZVESTIYA 9 Dec]* 4
Candidate Outlines Yabloko's Agrarian Policy *[SELSKAYA ZHIZN 9 Dec]* 8
Professor Advocates NDR on 'Vremya' Newscast *[Moscow ORT]* 8
Fedorov Explains Aims of Workers' Self-Government *[St. Petersburg TV]* 9

Regional Activities

Chechen Parliament Discusses Election Security *[ITAR-TASS]* 10
Election Campaign in Bashkortostan Surveyed *[VYBORY-95 WWW 29 Nov]* 11

Forecasts & Commentary

Elections Seen Unlikely To Threaten Stability *[KRASNAYA ZVEZDA 9 Dec]* 13
Yavlinskiy: 'Madness' To Try Rebuilding USSR *[Rome LA REPUBBLICA 10 Dec]* 14
Zhirinovskiy: LDPR 'Ahead of All the Rest' *[Rome LA REPUBBLICA 11 Dec]* 15
NDR's Shokhin Interviewed on Election Issues *[RABOCHAYA TRIBUNA 9 Dec]* 16

INTERREGIONAL AFFAIRS

CIS: Communist Forum Advocates Reunification *[SOVETSKAYA ROSSIYA 10 Dec]* 19
CIS Secretary on Economic, Military Issues *[NARODNAYA GAZETA 6 Dec]* 19

RUSSIA INTERNATIONAL AFFAIRS

Yeltsin, Germany's Kohl Talk of Upcoming Conferences *[ITAR-TASS]* 22
SPD's Lafontaine Meets Russian Social Democrats *[IZVESTIYA 8 Dec]* 22
NATO Seen Wanting 'Phantom Role' for Bosnia Brigade *[ITAR-TASS]* 23
Deputy Minister Says Moscow 'Key Player' in UN *[INTERFAX]* 23
IZVESTIYA Reports on Dniester Peacekeeping Proposal *[10 Dec]* 23
Deputy Minister Krylov Received by Cypriot President *[ITAR-TASS]* 24
Tumannaya River Basin Development Accord Signed *[ITAR-TASS]* 24
Former Ambassador on Grachev's Israel Trip *[SOVETSKAYA ROSSIYA 9 Dec]* 24
Tretyakov on Reaction to U.S. Diplomat Graham's Article *[NEZAVISIMAYA GAZETA 30 Nov]* 26
Article Implies U.S. Shifting Away From Yeltsin *[Internet (GreenNet)]* 27

RUSSIA NATIONAL AFFAIRS

Political Issues

Chernomyrdin Interviewed on Crime, Chechnya, NDR *[Moscow Radio]* 30
Fedorov: Russia Financing 'U.S. Public Debt' *[Milan CORRIERE DELLA SERA 10 Dec]* 34

IZVESTIYA Views Problem of Tax Arrears to Budget *[8 Dec]* 35
KRO's Zatulin Answers Questions on Policy *[KOMSOMOLSKAYA PRAVDA 7 Dec]* 37
Yeltsin Will Work in Newly Renovated Kremlin Building *[ROSSIYSKAYA GAZETA 9 Dec]* . 40

Military Issues

Gen. Podkolzin Interviewed on Reform, Airborne Troops *[KRASNAYA ZVEZDA 7 Dec]* 41

Federal Assembly

Shumeyko on Relations With Yeltsin, Post-Election Plans *[IZVESTIYA 10 Dec]* 43
Law Will 'Virtually' Abolish Foreign-Use Passports *[INTERFAX]* 44
Budget Adoption 'Deserved Reward' for Government *[FINANSOVYYE IZVESTIYA 8 Dec]* ... 44

Regional Affairs

Chechnya Reportage: Negotiations, Military, Politics 45
OSCE Chief Denies Observer Pull-Out *[ITAR-TASS]* 45
Commanders View Prospects for Peace *[Moscow RTV]* 45
Basayev on Talks 'Deadlock,' 'Terrorist Acts' *[Vienna DER STANDARD 11 Dec]* 46
Basayev: 'Neutral' Mediator Needed *[Madrid EL PAIS 11 Dec]* 46
Romanov Unchanged; Remains Unconscious *[INTERFAX]* 47
Kulikov on Dudayev's War Preparations *[INTERFAX]* 47
Kulikov Justifies Sending Troops in 1994 *[INTERFAX]* 47
Two Thousand Troops Killed in 12 Months *[ITAR-TASS]* 48
Control Tightened Over Groznyy Bridges *[INTERFAX]* 48
AFP Center 'Encircled' by Troops *[AFP]* 49
Federal Troops Kill 16 Militants *[ITAR-TASS]* 49
Federal Train Blown Up; No Casualties *[Moscow NTV]* 49
Militants Deny Zakayev Shot, Injured *[Radio Rossii]* 49
Paper Comments on Russia-Chechnya Agreement *[KOMSOMOLSKAYA PRAVDA 9 Dec]* 50
Federation Council Member on Chechnya *[ARGUMENTY I FAKTY Dec]* 50
Dudayev Seen as Russian President Candidate *[INTERFAX]* 51
Stavropol Officials Fired Following Budennovsk Incident *[ITAR-TASS]* 51

Economic Issues

Tax Service Head on Tax Debtors, Election *[ARGUMENTY I FAKTY Dec]* 52
Arbitration Court Rejects Bank's Complaint *[KOMMERSANT-DAILY 22 Nov]* 53

UKRAINE

International Affairs

Deployment of Peacekeepers Discussed With France, U.S. *[UNIAN]* 54
Navy To Accept Black Sea Fleet Ships From Crimean Base *[UNIAN]* 54
Further on Progress of Nuclear Disarmament *[INTERFAX]* 54
Supreme Council in Controversy Over IPA Membership *[ITAR-TASS]* 55
Defense Minister Leads Delegation to Hungary *[UNIAN]* 55

National Affairs

Kuchma Opens 'Center for Interstate Settlements' *[UNIAN]* 55
Kuchma Discusses Cooperation With Diaspora Leaders *[UKRINFORM]* 55
Shmarov: 'Military Doctrine Could Be Improved' *[UNIAN]* 56

Moroz on Importance of Adopting Crimean Consitution *[Kiev International]* 56
Franchuk Elected to Ukrainian Supreme Council *[ITAR-TASS]* 56
Interior Ministry Official Defends Expenditure *[UNIAN]* 56
Expert Cited on West's Plans for Chernobyl *[OBSHCHAYA GAZETA 7-13 Dec]* 57

Economic Issues

INTELNEWS Interviews Finance Minister 57
Program To Upgrade Hydroelectric Plants Cited *[UKRINFORM]* 59
State Grain Contract Faces Difficulties *[UKRINFORM]* 59

WESTERN REGION

Belarus

Russia's Grachev Signs Military Cooperation Pacts *[KRASNAYA ZVEZDA 10 Dec]* 60
Joint Arms Trade Seen Underlying Visit *[Minsk TV]* 60
Lukashenka Meetings With U.S. Businessmen Reported *[ZVYAZDA 6 Dec]* 61
Reportage on 10 Dec Parliamentary By-Elections 62
BELAPAN Provides Election Details 62
Lukashenka at Polling Station *[Minsk TV]* 64
Lukashenka: People Reaffirm Commitments *[ITAR-TASS]* 64
Lukashenka Address to Nation *[Minsk Radio]* 65
Hryb: Parliamentary Crisis Over *[INTERFAX]* 65
Party Chief Hopes For 'Counterbalance' *[MMC]* 65
Election Seen as Lukashenka 'Moral Fiasco' *[MMC]* 66
Former Parliament Speaker Comments *[MMC]* 66

CENTRAL ASIA

Kazakhstan

'Important Stage' of START I Treaty Completed *[KRASNAYA ZVEZDA 10 Dec]* 67
Results of Elections to Lower Chamber *[INTERFAX]* 67
Officials Discuss Repeat Elections *[Almaty TV]* 67

Tajikistan

Opposition, UN Mediator Exchange Messages *[Voice of Free Tajikistan]* 67

CAUCASUS

Armenia

Iranian Delegation Visits Karabakh for Release of POWs *[Yerevan Radio]* 69
Vice President Receives Iranian Officials *[Yerevan International]* 69
OSCE Believes 'Belligerents' Must Resolve Karabakh Conflict *[SNARK]* 69

Azerbaijan

Azerbaijan, Turkey, Georgia To Merge Energy Systems *[INTERFAX]* 69
Iran Rejects Caspian Gas Field Development Proposal *[INTERFAX]* 70
Iranian Deputy Minister Visits To Discuss Relations *[ITAR-TASS]* 70

BALTIC STATES

Estonia

Kallas Admits Border Talks With Russia Deadlocked *[Tallinn Radio]* 71

Minister Reports 'Impasse' *[BNS]* 71
Commander Rejects Role in Proposed Naval Force *[Tallinn TV]* 71

Latvia

Minister Confirms Interest in Bosnia Peacekeeping *[Riga Radio]* 71
Russian Attache Says Military Threat 'Unfounded' *[Riga Radio]* 71
Russian Citizens Allowed To Vote in State Duma Elections *[Riga Radio]* 72
Ulmanis Holds Talks With German President in Berlin *[Riga Radio]* 72
Germany Pledges Support *[ITAR-TASS]* 72

Key Developments

Gaydar To Back NDR, Yabloko After Elections

LD1112211095 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 11 Dec 95

[Video report by correspondent Konstantin Tochilin; from the "Vremya" newscast]

[FBIS Translated Text] [Tochilin] [video shows Gaydar addressing small audience] Yegor Gaydar, the leader of Russia's Democratic Choice, does not have anything against the government. At a meeting with voters today he promised to support the Russia Is Our Home [NDR] bloc should he be elected to the Duma. Yegor Timorovich also plans to support Yabloko. Russia has no alternative to democracy and the market. Even the politician's grandfather, the writer Arkadiy Gaydar, knew about this. In the words of his grandson Yegor Timorovich, traces of the ideal of private property can even be found in Timur and his Team [a children's adventure book published in 1940]. It was not for nothing that good little Timur defended private gardens from the racketeer and hooligan Mishka Kvakin.

Savistkiy's Death Seen as 'Planned Killing'

LD1012145995 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1250 GMT 10 Dec 95

[FBIS Translated Text] "Vitaliy Savitskiy was the first person in the Duma to advocate abolishing parliamentary immunity, and he also tackled another acute subject — that of totalitarian sects. He has been subjected to attacks on numerous occasions, but I cannot say whether this car crash was a planned killing," Tatyana Ivanova, who is registered as number two in the federal list of the Christian Democratic Union-Russia's Christians, said in an interview to Moscow Echo radio station, commenting on the report on party leader Vitaliy Savitskiy's death in a car crash on 9 December.

According to Ivanova, Savitskiy and his assistant were travelling in their official car when a Mercedes car cut into them. The passengers in the Mercedes were not hurt, but Savitskiy died without regaining consciousness. His assistant and driver are in a serious condition in hospital.

Campaign Ad: NDR Not Ashamed of Being 'Party of Power'

MM0812122595

[FBIS Editorial Report] Moscow ROSSIYSKAYA GAZETA in Russian on 7 December devotes the whole of page 3 to a feature entitled "Russia Is Our Home [NDR]." A left-hand column divided into two sections entitled "We Don't Make Promises, We Deliver!" and "Things We Are Working on" and a right-hand column also in two sections entitled "What We Have Already Done" and "What We Will Do When We Gain Power," sandwich a selection of photographs and quotes from various political, cultural, and economic personalities explaining what the NDR movement stands for and why they support it.

The left-hand column, which is unsigned, stretches three-fourths of the way down the page beneath a photograph of a multi-domed traditional Russian wooden church overlaid with the "Russia Is Our Home. On a Firm Foundation of Responsibility and Experience" logo (the logo is also featured, in a stand-alone box, at the bottom of the page). The column reads in full as follows:

"We Don't Make Promises, We Deliver!

"The NDR sociopolitical movement is known as the 'party of power.' We are not ashamed of this name. Because we are indeed close to the government and are able to influence it. Because we really want to become and are already becoming the 'party of power.' Not, however, a party of tub-thumpers and people playing at politics, but a party of people who will work their butts off for the good and well-being of Russia.

"We are six months old. Unlike some of our rivals, we did not promise much but have delivered some things during this brief period.

"— Under the influence of the NDR the government has addressed pensioners' concerns too: 7.6 trillion rubles [R] have been allocated to pay pensions and arrears.

"— What the budget owes the Russian Army, which is experiencing hard times and needs profound reform and state support, will be repaid by the end of the year.

"— What is 'Our Home's' attitude to what is happening in Chechnya? V. Chernomyrdin, the movement's leader has taken an active part in the negotiating process for a settlement of the Chechen crisis. We intend to seek to overcome this conflict only by political means, only by peaceful means. And we are not losing hope that democratic elections for the head of this republic will help the restoration of constitutional legality.

"— We do not exaggerate our achievements. The 'party of power' has also had failures, miscalculations,. mistakes. They are much more visible than the young shoots of the future which as yet can only be detected in statistical summaries. But we are going into the elections in order, relying on parliament, to form a professional, capable government. We are going into the elections to

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ensure the country's stability and protect it from new upheavals. We are going into the elections to build our common home — Russia — on a firm foundation of responsibility and experience together with millions of voters.

"Things We Are Working on"

"We will ensure an increase in state expenditure and investment in the social sectors which form the basis of spiritual development: education, culture, and science. We will eliminate the causes of economic crime, squeeze out the 'shadow' economy, and ensure effective laws and firm law and order.

"Special attention is devoted to large-scale Russian capital — in industry and banking alike. Our task is to help use its potential to achieve consolidation on external markets, boost investment activity, increase the number of jobs, and ensure the sustainability of economic growth.

"In a rule-of-law state power must be in the localities and not exercised by decree [ukazka] from the center. We advocate the development of local self-government, ethno-cultural autonomy, and the self-organization of the peoples of Russia.

"People have abused the Volga from afar and for a long time. The time has come to help this great Russian river. The government intends to allocate R267.7 trillion (in 1994 prices) to rehabilitate the Volga and the enormous Volga region. A draft federal targeted program has been prepared. We will devote the closest and most responsible attention to Russia's environment: This includes the fate of the 'glorious sea' of Lake Baykal and of small rivers and bodies of water alike.

"The media have gained real support in the shape of a federal law. We intend to put all our influence behind implementing it and supporting the mass media and book publishing — an inalienable part of the fatherland's culture."

The column ends with a boxed paragraph that reads: "WE HAVE DONE THE MOST DIFFICULT BIT: WE HAVE HALTED THE ECONOMIC DECLINE AND PREVENTED RUSSIA COLLAPSING. WE HAVE HELD OUT AND LAID THE FOUNDATION OF THE FUTURE. THE WORST IN OUR LIFE IS BEHIND US."

Beneath this, in the bottom left corner of the page, is a boxed exhortation reading: "Dear voters! When voting on 17 December, find the number 17 on the ballot paper. It signifies the All-Russia sociopolitical movement 'Russia Is Our Home.' So don't forget: OUR NUMBER IS 17.

The column filling the bottom half of the right-hand edge of the page reads as follows:

"What We Have Already Done

"The movement has already taken on a significant burden regarding the country's development and the situation in many regions, cities, and rayons where NDR members and supporters work.

"We have succeeded in slowing down the rate of inflation, curbing price rises, reducing the federal budget deficit, and bringing signs of stabilization in the country's economy. This success has to be further developed by ensuring stable growth and national accumulation and putting an end to price insanity and the slump in production.

"Only a strong state can ensure observance of human rights and social support for all who need it. The law on social protection of invalids in the Russian Federation defines state support in the sphere of social protection for invalids. They enjoy equal opportunities with other citizens in the exercise of civic, economic, political, and other rights and freedoms.

"We have also adopted measures to develop the network of institutions for social assistance to persons finding themselves in emergency conditions and without a fixed place of residence. This means the creation of shelters for the homeless and conditions for their training, employment, and return to normal meaningful life.

"We declare our support for the Orthodox Church and other religions which are traditional for Russia, and oppose the activity of totalitarian sects and foreign missionaries. The Russian Orthodox Church will reacquire stage by stage and for indefinite free use specifically the buildings and facilities of Voskresenskiy Novoierusalimskiy Monastery in Moscow Oblast's city of Istra.

"Russia's cities could become centers of European and world tourism. Some R134 billion have been allocated for next year to restore the largest museums and cultural and architectural monuments in St. Petersburg. This will attract a stream of foreign tourists and will secure foreign currency revenues for the treasury.

"The regions must enjoy state support. Assistance rendered in the recent past includes funds for the Far East to eliminate the consequences of the cyclone, for Tula's arms manufacturers, for the Kuban's rice growers, for the Lipetsk tractor builders, and so on.

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"What We Will Do When We Gain Power

"We will immediately bring into force the new Criminal Code which will significantly facilitate the struggle against crime.

"The word 'pension' will no longer mean poverty.

"We will put an end to the flawed practice of delayed payment of wages.

"We will expand the list of free medicines by raising state subsidies.

"We will achieve protection of the rights and freedoms of all our compatriots living in the near abroad.

"We will not allow the NATO military bloc and its nuclear weapons to get any closer to Russia's borders."

The feature ends with the following text published in a separate box:

"OUR PROGRAM IS THE PROGRAM OF PEOPLE WHO GET THINGS DONE. WE CALL ON ALL WHO ARE READY FOR PROFESSIONAL, RESPONSIBLE, AND CONSTRUCTIVE WORK TO VOTE FOR IT. ONLY TOGETHER WITH YOU WILL WE BE ABLE TO REVIVE AND REBUILD RUSSIA — OUR COMMON HOME."

Viktor Chernomyrdin, Russian Federation Government chairman and NDR leader, is shown in a prominent center-page family photograph with his wife, two sons, and two grandchildren. Beneath the photograph there is a selection of quotations from various figures, including the following from Chernomyrdin himself:

"For our movement there are no second-priority problems in the life of our Motherland. But as people of action and pragmatists we certainly realize that without an upsurge in the economy, without intensive everyday work, we will not resolve a single question in the social sphere, culture, or science alike.

"We have stopped declining; we have started climbing. We are coming out into the light, and dozens of colors other than black and white are appearing in our life. We are sometimes afraid to admit this to ourselves. We have gotten too used to all kinds of crises and troubles and are distrustful about believing that life is beginning to get into a normal channel."

Other quotations cited alongside Chernomyrdin's (accompanied by portrait photographs of those who made them) come from People's Artiste and NDR Council member Lyudmila Zykina ("a person can only be really happy when his home is strong and reliable"); "Avtovaz" President and NDR Council member Vladimir Kadannikov ("my involvement in this movement is to squeeze out the radical forces at the elections. Left- and ring-wing alike"); Russian Academy of Sciences Vice President and NDR candidate deputy Zhorez Alkferov (current "paradoxes and contradictions" such as highly developed fundamental science and backward industrial technology show that "economic mechanisms — both market and state — are needed"); and People's Artiste and NDR Council member Aleksey Batalov (long experience has taught him to "respect the kind of movement" which does not promise that "everything will be brilliant" immediately, provided it gets your vote).

On the top half of the page, under the general heading "We Are Building on a Firm Foundation of Responsibility and Experience," the six right-hand columns are devoted to a sequence of brief unattributed statements on areas of NDR policy followed by brief quotations from NDR supporters and activists prominent in the given field:

"Our Culture": The NDR will give "financial, organizational, and any necessary support to movie makers, writers, publishers, and artists" and advocates the preservation of the cultural heritage, the development of ethnic cultures, and the rebuilding of cultural ties with the Near and Far Abroad. Director and actor Nikita Mikhalkov, a Duma candidate deputy, says that the NDR offers the "only chance" for a culturally concerned person like himself to have his voice heard and express his opinion.

"Our Countryside": The NDR "recognizes all forms of land ownership. We will therefore support private farmers, collective farms, and state farms alike. We are in favor of honest competition among rural commodity producers. While advocating the introduction of a land market and the buying and selling of land, 'Our Home' believes, however, that land must belong only to those who work it. During the transition period, we are certain, there must be state regulation of the land market. The movement advocates special support for the family farm sector, private farms, and personal smallholdings." Association of Peasant (Private Farms) and Agricultural Cooperatives President Vladimir Bashmachnikov, a Duma candidate deputy, says that "without transferring land to private ownership it is impossible to conquer poverty or get the nation to flourish. The NDR therefore favors the speediest market transformations in rural Russia."

"Our Debts": The government averted the threatened Vorkuta miners' strike by allocating an additional R500 billion to finance the sector; a pension fund has been created to pay additional pensions to miners; and housing for miners and their families resettled from the Far North is being built in Central Russia. "Rosugol" General Director Yuriy Malyshev, a Duma candidate deputy, says that the "chronic problems" of

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funding the miners are due to unpaid consumer bills, not "government neglect." "Unlike politicians who play on miners' problems, the NDR is capable of helping and is already helping miners."

"Our Army": "We believe that the shortcomings in safeguarding defense cannot be eliminated without profound military reform.

"We advocate the adoption by the Federal Assembly of a Russian military doctrine as the fundamental legal document determining the role of the Armed Forces in the state.

"Our slogan is: 'The Army Outside Politics!'

"We intend to get the government to shape a defense budget most closely matching the Russian Army's requirements. The draft federal budget for 1996 already incorporates higher levels of national defense funding. The government proceeds from the premise that expenditure on the Army must total at least 5 percent of GDP, as is accepted practice in the world's leading states.

"We will provide the economic backup for the combat and political training of Russian Army personnel."

Lieutenant General Lev Rokhlin, a Duma candidate deputy, says: "I have not gone and am not going into politics. It was not me, I believe, but my subordinates — the 8th Guards Army Corps, the soldiers and officers who distinguished themselves with honor when fulfilling their combat task in Chechnya — who were admitted to the 'Russia Is Our Home' movement."

"Our Concerns": "The government and the NDR have developed specific mechanisms" to help Russians get their savings back. "Compensation will come out of the state coffers, since any pressure on the budget would immediately devalue the returned money with a new twist to the inflation spiral." Duped investors in pyramid companies cannot be accused of seeking "a quick profit" — they were merely following "a natural human requirement — to obtain a top-up to their pension or wages or save their last savings from inflation." Dmitriy Vasilyev, deputy chairman of the Russian Federation Federal Securities and Stock Market Commission, notes that the government proposed the transformation of finance companies and the creation of a compensation fund as "its way of getting deposits back."

"Our Pensioners": "We guarantee the unswerving accuracy and timeliness of all pension payments. What the state owed has already been returned to the Pension Fund." The Union of Pensioners of Russia has initiated a hotline for pensioners with problems. Anatoliy Glazov, Union of Pensioners Central Board chairman, says that of all the parties "only the NDR has shown a serious and constructive attitude toward pensioners' needs and aspirations. You can reach agreement with it. You can also demand things of it, as you can of the head of government."

"Our Sport": The "Spartak" international sports society has become a "collective member" of the NDR. "Spartak" President Nikolay Ozerov says that "the NDR unites worthy and respected politicians" but its greatest attraction is "the lofty humanist objectives and tasks which 'Our Home' sets itself."

"Our Books": Expenditure on culture and education represents "an essential and highly effective investment the country's future. This is not just a declaration. The NDR has given considerable assistance to the republication of the Complete Academic Collection of the Works of Pushkin," which is thus now widely available. Georiy Pryakhin, general director of the "Voskresenya" Newspaper and Journal Association, which is producing the anthology, says: "We could not have carried out our idea without financial support from the state and social and commercial organizations. The prime movers [sozidateli] included the NDR movement."

Campaign Ad Spells Out KRO's '31 Principles'

MM1112205795 Moscow IZVESTIYA in Russian 9 Dec 95 p 2

[Congress of Russian Communities (KRO) Election advertisement: "'31 Principles of the Congress of Russian Communities'"]

[FBIS Translated Text]

Thirty One Principles in the Congress of Russian Communities Program

Russia is again going through a phase of division and troubles.

The Russian people are disunited, and the aims of individual groups are directly opposed to the country's interests. The government has betrayed national interests and is continuing to betray them. Russia's influence in the world is becoming weaker, and it is losing friends and failing to acquire allies.

What talk of human rights can there be when people are afraid even to go out into the street? What talk of statehood can there be when the government itself is keeping back wages and pensions, when honest labor and entrepreneurial activity turns out to be loss-making and is subjected to extortion on the part of bandits and corrupt officials?

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The process of the extinction of the people has started in Russia and is accelerating. In peacetime, living standards and life expectancy are falling disastrously, mortality is rising, and the population is decreasing.

In order to stop the self-destruction of the nation, the Russian people, together with all the peoples of our motherland, must assume responsibility for their fate and the future of their descendants. For us in Russia the next aim is to reestablish nationwide unity. The formation of the CONGRESS OF RUSSIAN COMMUNITIES [KRO] is a decisive step on this path — it is a form of the self-organization of the people for their country's economic and spiritual rebirth.

The KRO is not a party, but a mass supra-party movement, whose task is to form responsible state power and make it serve the peoples of Russia. Our foes attribute to us intentions which we do not have. The KRO resists falsehood and is prepared to clarify what we really want and what we are actually opposing.

IN THE POLITICAL SPHERE THE KRO ADVOCATES:

A STRONG, EFFECTIVE STATE, RESPONSIBLE FOR THE PEOPLE — the guarantor of the rights of any Russian citizen, the protector of society against external and internal threats in the unstable world at the end of the 20th century. The state should guarantee a decent living standard for every honest citizen, and the right to labor and income at a level not lower than the generally accepted subsistence wage. The state is obliged to protect the citizens' earned savings and reestablish the investments which have been devalued by inflation.

MONITORING BY THE PEOPLE OF POWER IN THE STATE, giving the organs of representative power not only legislative functions, but also supervisory functions, including the right to remove inept officials and the right to agree to the appointment of key ministers. Servants of the state of all ranks, not excluding the Russian president, should be placed under strict daily supervision.

EXTENDING THE RIGHTS OF FEDERATION COMPONENTS WITHIN THE FRAMEWORK OF THE SINGLE AND INDIVISIBLE RUSSIAN FEDERAL STATE, and the clear legislative demarcation of rights and duties of components and the federal center. Russia as a union of peoples, a federation of regions, in which social policy is the affair of all the Federation components, and not just of the unscrupulous politicians in the capital.

THE PROTECTION OF RUSSIAN LANDS AGAINST THE DESPOTISM OF THE CAPITAL'S DEPARTMENTS, which undermine the country's state unity. By constructing from the grass roots to the top a rule-of-law federal state with a strong center and wealthy responsible regions, we will save Russia from internal wars, disintegration, and economic ruin.

FOR THE PROTECTION OF THE NATION'S LIVING STANDARD IN SOCIAL POLICY, THE KRO ADVOCATES:

A STATE SYSTEM OF GUARANTEES FOR THE PROTECTION OF THE PEOPLE'S LIVING STANDARD AND THEIR SOCIAL RIGHTS, ensuring a decent quality of life for every person in Russia.

The KRO rejects the idea of social policy being reduced to "second-priority" tasks for the government. The state must guarantee the timely payment of wages to workers in the state sector, as well as pensions, scholarships, and other social payments.

We advocate raising the level of state pension provision for citizens, and in particular the timely and full indexation of pensions.

HEALTHY FAMILIES AND A HEALTHY NATION. We seek legislative provision for every citizen's right to health protection — irrespective of the level of personal income. A sick, degenerating, and dying nation is not capable of either preserving or creating cultural traditions.

A developed health protection system, guaranteed by the state and accessible to the citizens, and the well-organized protection of mother and child will not only stop the fall in the population of Russia and avert the threat of the degeneration of the nation, but will also provide a possibility to regain the people's spiritual health. The health of every child should be guarded reliably by the state.

THE NECESSARY LEVEL OF FREE STATE EDUCATION. Contemporary society cannot be uneducated. We resolutely condemn the destruction of the country's education potential. The education system must be in line with the level of Russia's nationwide tasks in the 21st century!

SOCIAL PARTNERSHIP BASED ON EQUAL RIGHTS IN SOCIETY, WITH CONSENSUS BETWEEN ALL SOCIAL GROUPS AND STRATA OF THE POPULATION AT ITS HEART.

IN THE SPHERE OF PERSONAL, NATIONAL, AND PUBLIC SECURITY, THE KRO ADVOCATES:

THE STRICTEST MEASURES TO REESTABLISH THE RIGHTS OF EVERY INDIVIDUAL IN RUSSIA AND EVERY RUSSIAN FAMILY TO PROTECTION

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AGAINST CRIMINAL ATTEMPTS ON THE INDIVIDUAL, ON LIFE, AND ON PROPERTY.

It is vital, by means of emergency measures, to suppress, within as short a time as possible, the wave of the criminal free-for-all, and throw the criminal world out of the spheres of everyday life it has captured.

THE IMMEDIATE CLEANSING OF THE STATE APPARATUS OF CORRUPT EMPLOYEES AND OF TRAITOROUS OFFICIALS BEING PAID BY THE CRIMINAL WORLD.

This kind of power is anti-people and cannot cope with its main task: ensuring security and peaceful nationwide development. That is why THE KRO IS DEMANDING MONITORING OF THE AUTHORITIES BY THE PEOPLE!

THE STRENGTHENING OF THE ORGANS PROTECTING PUBLIC ORDER AND THE SECURITY OF CITIZENS, including their reorganization and material backup. It is necessary to strengthen the special services and turn them into genuine state institutions. Without strong special services, there is no strong state. The state security services should take an active part in determining national interests and should be completely geared to implementing them. They must not be used in internal political conflicts.

THE CONSISTENT, CONSCIOUS, AND QUALITATIVE REFORM OF THE RUSSIAN ARMED FORCES, combining political-strategic, organizational-technical, social, and state-legal aspects of the Army's life.

It is necessary to revive the high status of the defender of the motherland in the eyes of the whole of society and turn the soldier into a responsible citizen of his country with full rights.

THE RECONSTRUCTION [vossozdaniye] OF THE ARMY; we are opposed to its underfunding on the part of the state, and the split of the Army into "commoners" and elite units and subunits intended for the personal security of high-ranking officials.

At the heart of military ideology we will place the ideas of patriotism, the protection of the state, Russia's sovereignty and territorial integrity, and the historical and combat traditions of the Russian and Soviet Army.

The Army is outside politics, it is intolerable to drag it into combat actions within the country.

THE FORMATION OF A DOCTRINE FOR RUSSIA'S NATIONAL SECURITY, which will openly and clearly determine national interests and priorities, as well as Russia's place in the world community.

Every serviceman, like every servant of the state of any rank, must understand clearly who and what he is protecting, what he is serving and in the name of what.

AN INDEPENDENT FOREIGN POLICY, RETURNING TO RUSSIA A PLACE IN THE WORLD WORTHY OF A GREAT POWER.

The KRO is opposed to the policy of trailing in the wake of foreign states. Today, weakened Russia cannot have any reliable, powerful, long-term allies in the "far abroad." Foreign policy activity must be interpreted as actions aimed at the implementation of Russia's state interests in a particular important sphere.

IN THE SPHERE OF ECONOMICS THE KRO ADVOCATES:

THE FORMATION OF A MODERN, HIGHLY EFFECTIVE, SOCIALLY RESPONSIBLE MARKET ECONOMY with a high degree of state responsibility for the normal work of market mechanisms and reliable protection of citizens' property. It is incumbent on the state to use all methods to suppress inflation and ensure favorable conditions for profitable entrepreneurial activity.

AN ORGANIZED MARKET ENVIRONMENT, FREEDOM OF COMPETITION AND ECONOMIC LABOR ACTIVITY IN GENERAL.

A criminalized, uncontrolled market, generating acute social conflicts and leading to the mass poverty of the population, is reigning in the Russian economy. The state is required to create favorable conditions to raise production and innovation activeness, crack down on abuse of monopolies, and ensure the efficiency of mechanisms of market competition.

CONSIDERED RESTRUCTURING OF THE RUSSIAN ECONOMY.

The KRO is opposed to turning Russia into the raw materials appendage of the Western industrialist world. We advocate the restructuring of the economy on the basis of advanced technologies, and the stepping up of scientific and industrial potential in conditions of an upsurge in all sectors of the national economy, primarily the production of consumer goods.

THE INVIOLABILITY OF PERSONAL AND COLLECTIVE LABOR PROPERTY.

The KRO is opposed to the seizure by the state of the property rights of participants in national economic activity.

THE PRIORITY OF DOMESTIC INDUSTRY AND ENTREPRENEURSHIP.

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The state must protect the interests of domestic commodity producers and business circles, and put an end to the uncontrolled invasion of Russian markets by foreign companies.

A SENSIBLE INVESTMENT POLICY, AN INCREASE IN INVESTMENT ACTIVENESS, THE PROVISION OF FAVORABLE CONDITIONS FOR CAPITAL TO FLOW INTO THE DEVELOPMENT OF PRODUCTION.

The KRO offers specific mechanisms for suppressing inflation, restoring order on the securities market, and creating organizational structures to protect savings and move them into investments in the production of goods and services.

EQUAL RIGHTS FOR ALL FORMS OF OWNERSHIP, ORGANIZATION OF LABOR, AND INITIATIVE IN AGRICULTURE. The land should belong to those who live and work on it, rather than being splintered into tiny parcels for speculative use.

RELYING ON OUR OWN STRENGTH IN THE ECONOMY. Even today Russia has sufficient economic, natural, and intellectual potential to overcome the crisis. Nothing is forcing it to crawl to Western countries and international financial organizations and into credit and financial slavery, leading to political dependence on the creditors.

IN THE SPIRITUAL SPHERE THE KRO ADVOCATES:

STATE SUPPORT FOR UNIQUE RUSSIAN CULTURE — THE JOINT ASSET OF THE PEOPLES OF RUSSIA. The KRO will resolutely defend the historical national traditions. Our leading idea is Russia's spiritual rebirth, the idea of national dignity, without which there can be no successful economic and scientific and technical development of the country.

STATE SUPPORT AND THE GALVANIZATION OF RUSSIA'S SPIRITUAL AND INTELLECTUAL POTENTIAL and the potential of the scientific and creative intelligentsia, and the provision of guarantees in the sphere of education and advance funding for fundamental scientific research. The KRO is categorically opposed to the destruction of high-technology sectors.

THE REVIVAL OF THE SPIRITUAL AND SOCIAL POTENTIAL OF THE RUSSIAN ORTHODOX CHURCH, and all other religions which traditionally exist on Russian land.

PRESERVING MORAL VALUES SUCH AS KINDNESS, TRUTH, JUSTICE, RESPONSIBILITY, DILIGENCE, CHARITY, COLLECTIVISM.

The KRO is opposed to the cult of making money and total license, it is opposed to the spirit of division and individualism, cutting the country off from its traditions and its unique spiritual, historical, and moral experience created by our predecessors.

IN THE SPHERE OF INTERNATIONAL RELATIONS, THE KRO ADVOCATES:

NATIONAL, STATE, AND SPIRITUAL REBIRTH OF THE RUSSIAN PEOPLE IN UNION WITH ALL THE PEOPLES OF RUSSIA; it is opposed to any split of nations on a regional, political, economic, or social basis.

The KRO consistently condemns discrimination and the humiliation of the Russian people — the mainstay of Russian statehood.

EQUAL RIGHTS AND THE UNION OF ALL THE PEOPLES OF RUSSIA WITHIN THE FRAMEWORK OF A FEDERAL, RULE-OF-LAW DEMOCRATIC STATE. The KRO advocates a united and indivisible federal Russian state. We are opposed to all forms of ethnic discrimination, racism, and chauvinism. Only a union of the peoples of Russia will save the multiethnic state from war and collapse, keeping Russia as a great world power.

STATE SUPPORT FOR CITIZENS AND COMPATRIOTS IN CIS AND BALTIC COUNTRIES, where they are frequently subjected to political and economic discrimination.

Today we the Russians are a divided people. The KRO resolutely opposes the policy of betraying the interests of Russian communities.

RUSSIAN PATRIOTISM, NATIONAL DIGNITY, AND INTERNATIONALISM — NATIONWIDE VALUES OF THE RUSSIAN STATE.

The KRO's strategic slogan is "Without the unity of the Russian people there can be no union of the peoples of Russia! Without a union of the peoples of Russia there can be no unity of the Russian people! Without the unity of the Russian people and without the union of the peoples of Russia we cannot have a strong, effective state guaranteeing nationwide interests!"

Those are the KRO's 31 principles.

That is what honest people of Russia should vote for at the elections in December.

The KRO's number on the federal list is 31.

THE CONGRESS OF RUSSIAN COMMUNITIES IS CERTAIN AND STATES RESOLUTELY:

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We will achieve the command of the people over power.

We will confirm the wealth and health of the nation as a law for the state.

We will reestablish peace, public order, and security in the state.

We will bring greatness back to Russia, faith in the future to families, and equal responsibility before the law to everyone — from workers to the president.

NO ONE WILL DO THIS FOR US AND NO ONE WILL DO IT APART FROM US!

RUSSIA WILL WIN!

Yuriy Skokov, Aleksandr Lebed, Sergey Glazyev. [In the bottom left hand corner of the advertisement is the following boxed text entitled: "Skokov's First Question," with the words "Referendum," "Congress of Russian Communities," and "No. 31" appearing inside a question mark. "Do you believe that a growth in the prosperity and life expectancy of Russia's citizens should be the main aim of state policy and a constitutional norm in assessing the activity of the Russian Federation government?]

Candidate Outlines Yabloko's Agrarian Policy

MM1112163995

[FBIS Editorial Report] Moscow SELSKAYA ZHIZN in Russian on 9 December 1995 carries on page 3 a 1500-word "Yabloko" election advertisement signed by Doctor of Economic Sciences Boris Chernyakov, head of the ISKRAN [expansion unknown] agriculture and food problems sector and a "Yabloko" bloc candidate deputy in Ivanovskiy electoral district.

The advertisement bemoans the "quite alarming" food situation in Russia, saying that "most major cities — Moscow, St. Petersburg, Nizhniy Novgorod, and several others — depend on imports." The author lists the steps proposed by "Yabloko." First, the bloc wants to "use state regulation to streamline pricing policy in order to eliminate price disparities." Second, he says that "it is vitally necessary for Russia's future to provide breeding and selection farms with financial and material support." Third, "support is necessary for all the country's specialized enterprises — poultry farms and dairy, livestock, and pig fattening complexes."

The advertisement emphasizes that "economic growth in agriculture can only be secured on the basis of a fundamentally new system of state support." And "another important area of work with agriculture is to improve regional specialization and interregional ties. The first consists of creating or expanding zones specializing in the production of highly important products that are highly economically effective.

"The second involves establishing information and transportation ties between regions."

Chernyakov addresses the specific problems of Ivanovo Oblast and stresses that "'Yabloko' has the highest concentration of professionals of all parties and associations." He ends by saying that "what is needed is to competently analyze and identify the main priority areas and concentrate resources and efforts on these priorities. Grigoriy Yavlinskiy's team is not entering the elections with empty slogans but with a specific program. We will resolve the agrarian question."

Professor Advocates NDR on 'Vremya' Newscast

LD1212111995 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 11 Dec 95

[From the "Vremya" newscast]

[FBIS Translated Text] Professor [Boris] Grushin speaks about the Russia Is Our Home [NDR] electoral movement today, in our program's regular feature: [video shows Grushin sitting in an office, cutting to occasional archive footage of Chernomyrdin addressing audiences and Russia Is Our Home election posters; results of three opinion polls shown]

[begin Grushin recording] Today we will talk about one of the favorites in the current election fight, the Russia Is Our Home movement. I would probably be correct in saying that more than any other party Our Home is in an extremely difficult situation. It is being subjected to the toughest public criticism, both by its political opponents and by the people.

This is natural. First of all, Our Home is led by the prime minister, a man who together with the president answers personally for the state of affairs in the country — and the situation is, of course, highly complex.

Second, the movement's opponents christened it the party of power and the leaders of Our Home proudly accepted the name without noticing the trick and missed the mark. After all, who likes authority? Especially here in Russia?

On the other hand, there are many people in the country who see that Our Home and the authorities are not one and the same thing. There are people even inside the government, never mind the [regional] governors, who openly oppose Our Home. And there are many in the country who believe that, thanks to their proximity to power, the movement and its leader are better placed than all the rest to mend the state of affairs. [video cuts

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to show the results of a survey of opinion which does not indicate who or how many were polled. Under the caption "Think!", to the question "Why do you support the Russia Is Our Home movement?" the following responses are listed:

Because it is led by leaders you can trust — 28 percent;

Because it offers the country the correct path of development — 14 percent;

Because it does business and deals with urgent problems — 12 percent;

Because it cares for the good of the people — 10 percent;

Because it consists of professional, competent people — 8 percent].

So, when asked which party is probably best able to lead the country out of crisis, experts on the subject put Our Home in first place. But the people, it is true, view things a little differently. They see the communists as their main saviors. But even here Our Home occupies second place.

As a result of this conjunction of mass discontent with the present situation and mass hope for a change for the better from above, there is great discord in society on the role and potential of Our Home.

In polls on the trustworthiness of party leaders, Chernomyrdin himself regularly figures among the top three along with [Grigoriy] Yavlinskiy and [Aleksandr] Lebed at roughly 42 percent. However, at the same time 30 percent of the population distrust him completely. Asked why they do or do not support the Russia Is Our Home movement, in the first instance people claim that Our Home does business and cares for the good of the people while in the second they say that, on the contrary, it does nothing for the people and so on. [video now shows results of a second survey of opinion which again does not indicate who or how many were polled. Under the caption "Think!", to the question "What would victory for Russia Is Our Home at the elections bring?" the following responses are listed:

Would bring no big changes — 37 percent;

Would result in big changes — 54.3 percent;

Including positive changes — 25 percent;

Including negative changes — 12.3 percent;

No opinion — 17 percent;

Difficult to answer — 8.7 percent]

The 400 experts polled by ourselves give quite contradictory assessments of the situation. At the same time, they stress that if Our Home wins, there will be more positive changes compared with all of the other parties assessed: namely the communists, the KRO [Congress of Russian Communities], Yabloko, the LDPR [Liberal Democratic Party of Russia], and Women of Russia. [video now shows results of a third survey of opinion which again does not indicate who or how many were polled. A footnote reads "Copyright Vox Populi". Under the caption "Think!", to the question "What are the changes most often noticed?" the following responses are listed:

Stabilization, rise in economy — 10 percent;

Legal reforms — 7.5 percent;

Rise in inflation — 6.5 percent;

Fall in people's incomes — 3.3 percent]

The most probable scenario will be the absence of significant changes: in other words, today's policies and the stability so desired by everyone will be continued. In a word, the situation of Our Home is the situation between the hammer and the anvil: the hammer of mass discontent with existing life and the anvil on which a better tomorrow is being or perhaps has already been forged.

In this connection, I will end on a question: What will we make of this situation if we really are the blacksmiths of our happiness?

Fedorov Explains Aims of Workers' Self-Government

LD1212101495

[FBIS Editorial Report] St. Petersburg Fifth Channel Television Network in Russian at 1800 GMT on 8 December carries a 15-minute election broadcast by the Party of Workers' Self-government.

The broadcast begins with a short campaign video clip urging people to vote for Svyatoslav Fedorov, leader of the Party of Workers' Self-Government, who, the unidentified speaker says, "does not know the word impossible, who is not afraid to make promises, who has already shown he can do a great deal."

Svyatoslav Fedorov, the party leader and renowned eye surgeon, then explains in the studio his party's philosophy and the benefits it could bring. He says:

"That system of self-government creates new production relations in the process of labor, new relations between people when they begin to do things together. People become partners. They begin to respect each there. There are no quarrels between them and labor productivity goes up not just by 20 percent but by many times. In

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our eye clinic, for instance, it is four times higher than in the United States and nine times higher than in other such centers in Russia. All of that makes it possible for us to resolve those social tasks for the sake of which politics exist."

Fedorov continues: "Collective labor is highly productive labor. It is much more productive than individual labor". He says Russian goods are unable to compete on the international market because of rising production costs, and goes on to say:

"We should protect the Russian producer. We should ban the unchecked export of raw materials. We must insure that raw materials in our country, which has more of them than any other state, are at least 50 or 100 percent cheaper and then our goods will at last be competitive. We should insure that any new technology is not subject to customs' duties. We need today to spend at least 500-600 billion rubles [R] on modernizing our production capacity in order to attain high quality. We need, finally, to hand over at least 50 percent of the government's infrastructure in the form of shares to private individuals or corporate bodies to prevent or avert the unprecedented growth of prices of that monopoly state structure."

Fedorov goes on to say that laws are needed "which will make Russian producers, blue-collar and white-collar workers, and engineers competitive and will allow them to enter the market. Today our national product is ridiculous. It is less than the product of the state of California alone, out of the 50 U.S. states. What is 400 billion? When the USSR existed, our national income was R2.5 trillion. Today it is R400 billion. That is naturally not enough. What is the budget of Russia today? It is ridiculous — $32-33 billion [dollars as heard] instead of the 600 billion in the time of the Soviet Union! Is it really possible to feed pensioners for 32-33 billion, to provide the army with all it needs, to have a normal health care system? It is impossible! We need today to increase labor productivity and its technical qualities by 2.5 to 3 times to insure a national product of at least 1.5 trillion [as heard] and a budget of at least 300 billion. Then all the issues we are speaking of today may be resolved. But, of course, state decisions are needed to resolve all of these questions. New laws are needed."

Former prosecutor general Aleksey Kazannik, who is also in the studio, says:

"What needs to be done to insure that the laws are implemented? To insure this there should be a normal, law-abiding, highly effective state power. That is the biggest shortage in our country! How do we intend to form that power? First, to select and place personnel correctly — not only from the point of view of professionalism but from that of a high moral reputation."

He continues: "Second, the present authorities are over 70 years old. They are amoral in essence because they determine the payment for their staff, the size of their wages. We intend to make the salary, the wages of state employees directly dependent on the population's standards of living. If, for instance, the population's living standards are reduced by 10 percent, then their salary will be automatically reduced by 10 percent."

Kazannik goes on to say that corruption among officials will be severely punished and commissions of experts will be set up to verify that laws are economically sound.

In conclusion he tells voters: "We will never let you down. We will never deceive you!"

Regional Activities

Chechen Parliament Discusses Election Security

LD1212123995 Moscow ITAR-TASS in English 1202 GMT 12 Dec 95

[By ITAR-TASS correspondents Sharip Asuyev and Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY, December 12 (ITAR-TASS) — The Chechen parliament started discussing on Tuesday the situation which developed in the republic on the eve of the elections to the State Duma (lower house of the Russian Federation's parliament) and of the head of the republic.

Police Colonel Hamid Inalov, Interior Minister, was among the first to address legislators. He stressed that "republican law enforcement bodies have everything" to ensure security at the elections.

Then, the legislature which adopted today a bill on the order of organising the coming elections, took a decision to start voting ahead of time — on 14 December.

According to this document, all Chechen citizens may vote where it is convenient for them and not necessarily at the place of their residence. Mobile polling stations will operate along with ordinary ones.

It will be enough to produce any document identifying its bearer to vote. In compliance with the adopted law, a candidate who will receive a simple majority of votes, will be regarded as elected head of the republic.

The legislature approved incumbent head of the republic Doku Zavgayev as commission chairman on drafting a Constitution of the Chechen Republic.

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Election Campaign in Bashkortostan Surveyed

MM1212101595 VYBORY-95 WWW in Russian 23-29 Nov 95

[Unattributed report: "Republic of Bashkortostan" — received via Internet]

[FBIS Translated Text]

The Mass Media in the Election Campaign

Terms for Free Campaigning

On 14 November state newspapers in the republic and state television and radio began to provide a free platform for individual candidates, and also blocs and movements. The order in which airtime and newspaper space is provided was determined by a lottery held 10 November. The Republic of Bashkortostan Electoral Commission approved the "Procedure and Conditions for Election Campaigning Via the State Mass Media in the Republic of Bashkortostan." This document, in particular, prescribes that the "Bashkortostan" state television and radio company will provide free and paid airtime for election campaigning during the period between 15 November and 15 December "during its operating hours to the tune of 30 minutes between 1800 and 2300 hours which do not coincide with the all-Russian election campaign broadcasts." Candidates and electoral associations have the right to one free publication and also paid publication of campaign materials in the republican newspapers BASHKORTOSTAN (in the Bashkir language), IZVESTIYA BASHKORTOSTANA [Bashkortostan News], SOVETSKAYA BASHKIRIYA [Soviet Bashkiria], and KYZYL TAN [Red Dawn] (in the Tatar language) "on equal terms with respect to the amount of material, time of publication, and size of payment for space." Free printed materials are restricted to 1,500 characters for candidates and 3,000 characters for electoral associations. In order to monitor campaigning in the mass media a watchdog group composed of members of the Electoral Commission and officials of the State Inspectorate for the Protection of Freedom of the Press and Mass Information has been set up.

The first publications consist mostly of brief accounts of election programs, and also information about the candidates' lives.

Campaigning for R. Kadyrov

There are a few exceptions. One is the piece about Rafis Kadyrov, candidate for Tuymazinskiy District No. 8 nominated by S. Govorukhin's bloc, which is signed by his "agents." It portrays the candidate as someone who has been an innocent victim at the hands of the republic's authorities, who has lost everything but has not been broken and is prepared to continue along his chosen path. Coincidentally, though this is scarcely pure chance, the same issue of SOVETSKAYA BASHKIRIYA that featured the Kadyrov campaign material also published an edict by Bashkortostan President M. Rakhimov "On Protecting the Interests of Shareholders in the 'Vostok' Specialized Privatization Investment Fund." The "Vostok" check investment fund, the biggest investment fund in the republic, is R. Kadyrov's baby. He ran it until spring 1995, when, after efforts by the Bashkortostan State Committee for the Management of State Property, he lost his license. Thanks to aggressive advertising, R. Kadyrov had managed to collect in the fund around 1 million [privatization] vouchers, on which dividends have not so far been paid. M. Rakhimov and his entourage certainly feel concern at the possible success in the elections of R. Kadyrov, M. Rakhimov's former rival in the fight for the presidency. It is probably this concern that prompted the appearance of the aforementioned edict, which was signed 14 November. By showing concern for the check investment fund's depositors, many of whom feel they have been swindled, the republic's leadership is hoping to take votes away from R. Kadyrov.

In turn, the latter has made an unorthodox move by publishing a book called "Forty Candles of Forgiveness." In it he tells of his political career. The book has a pronounced anti-Rakhimov character. It was published in Moscow, and last week began to circulate in Bashkortostan, although so far it has not been seen on open sale.

Campaign of Candidate E. Khusnutdinov (Birskiy District No. 3)

Eduard Khusnutdinov, candidate in Birskiy District No. 3 and editor of the newspaper VECHERNIY NEFTEKAMSK [Evening Neftekamsk], has distinguished himself in the newspaper advertising, which so far has been confined to the free quota of pieces. In IZVESTIYA BASHKORTOSTANA, after briefly describing himself as a believer and a young — 32 years old — and energetic journalist like [murdered TV journalist] Vladislav Listyev, he cited a table headed "Who Votes How in the Duma" showing the positions of the Agrarians, Communists, and Liberal Democrats and alongside them his own position — how he would vote. In particular, against the extension of Army service and against the funding of the war in Chechnya. The candidate's promise to "refuse his wage until rural working people and teachers in his region have received their pensions and wages" was highlighted in boldface.

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Campaign of Candidate E. Fomichev (Kirovskiy District No. 4)

Entrepreneur Erast Fomichev, running in Kirovskiy District No. 4, has gone further than everyone else by announcing a campaign to conclude contracts with voters guaranteeing that the candidate will fulfill his election program. Under the contract the voter pledges to vote for E. Fomichev, and E. Fomichev pledges to fulfill his program. Journalists on the weekly VOSKRESNAYA GAZETA [Sunday Paper] have decided to exploit the elections in order to popularize their publication by announcing a "Guess the Name" competition. The idea is that on a coupon printed in the paper entrants write the names of the candidates whom they think will be elected 17 December in Kirovskiy and Oktyabrskiy Districts in the city. Then they cut out the coupon and send it to the editorial office, and there is no limit on the number of coupons (in other words, you can buy as many copies as you can). The winners are promised valuable prizes.

Incident Involving "Ufa-TV" Television Company

The Ufa city television company "Ufa-TV" has managed to stay on the air after concluding a number of contracts for election services. On 13 November there was a court hearing on a suit by the Bashkortostan Ministry of the Press and Mass Media against "Ufa-TV" aimed at stripping the company of its registration certificate on the grounds that the city TV service does not prepare broadcasts in the Bashkir language. During the hearing the suit was withdrawn. This was evidently down to the presence in the courtroom of a number of journalists, and also State Duma Deputy A. Arinin. In this situation Deputy Press Minister Fanil Kudakayev, who is in charge of electronic mass media, deemed it best to give no grounds for a fuss about such a tricky question.

Visits by Representatives of Federal Electoral Associations

Anatoliy Lukyanov, one of the leaders of the Communist faction in the State Duma, was in Bashkiria at the start of the week. Accompanied by Bashkir Communist leader and State Duma Deputy Valentin Nikitin (number one on the CPRF [Communist Party of the Russian Federation] regional list in the republic), he held an intensive series of meetings with voters in a number of rural rayons, Ufa, Salavat, and Sterlitamak. The former speaker of the Union parliament received a very warm reception, and people listened with clearly nostalgic pleasure to Anatoliy Ivanovich's speeches, which invariably ended with his poetry. M. Rakhimov also received A. Lukyanov. Admittedly, there was a very embarrassing situation during A. Lukyanov's visit to Sterlitamak. One of the leaders of the city administration gave instructions for an announcement about Lukyanov's meeting with the city residents to be removed from an issue of STERLITAMAKSKIY RABOCHIY [Sterlitamak Worker] that was ready to go to press, and there was a blank spot in the paper when it came out. However, as a communist sympathizer, this same official ordered that telephone messages be sent out to the city's enterprises and institutions demanding that they send delegations to the meeting with the eminent Duma deputy. This prompted one participant in the meeting to ask Lukyanov whether he knew that the city authorities had assembled the audience for the event by ordering people to attend.

"B.N. Yeltsin's recent remark that in no circumstances must a Communist victory in the elections be allowed prompted an appropriate reaction from the CPRF leadership, which A.I. Lukyanov voiced for all the world to hear. He thereby, as it were, embarked on an open confrontation with the president of Russia. And so far as certain representatives of the state apparatus at local level are concerned, this was clearly the signal for actions directed against A.I. Lukyanov," is the comment of SOVETSKAYA BASHKIRIYA on this affair.

This week also saw the end of the trip around the republic's cities and rayons by the performer Leonid Kuravlev, who was touring within the framework of the NDR [Russia Is Our Home] campaign. His trip was not a total success, since because of severe snowstorms he was unable to reach certain venues for meetings with voters and viewers on time.

Vladimir Shcherbakov, leader of the "Trade Unions and Industrialists of Russia-Union of Labor" electoral association, visited Ufa at the end of the week. He held a series of meetings with voters and consulted with the republic's trade union activists.

General B. Gromov's expected visit to the city failed to take place. The "My Fatherland" leader was supposed to be coming to take part in the Russian scientific and practical conference on "World War II and the Great Patriotic War and Our Time," which was held 24-25 November. Incidentally, the "Education Is Russia's Future" social movement is among the conference's organizers.

Nikolay Ryzhkov, leader of the "Power to the People!" bloc, and Gennadiy Seleznev (CPRF) are promising to visit Ufa next week, Aman Tuleyev (CPRF) is intending to visit the areas of the republic beyond the Urals, and General Lebed is expected in early December.

Campaign Literature and Posters

A leaflet war is beginning to develop. The pioneer in this was Viktor Rezyapov, the vocational and technical

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school director who is running as an independent candidate in Oktyabrskiy District No. 5. V. Rezyapov's first leaflets prompted his rivals to raise the question of the candidate's violation of the campaign rules — there is no imprint on the leaflets.

On the Bashkir TV program "Post Scriptum" on 25 November Vladimir Kosenko, chairman of the Republic Electoral Commission, made a statement warning candidates that they cannot stick up campaign leaflets and posters at enterprises and institutions in sites that have not been agreed with the administration or hold meetings with voters in labor collectives during working hours.

So far as leaflets and posters are concerned, as before they are still not particularly abundant on the streets of Ufa and in public places. The most active participants in leaflet and poster propaganda are the NDR and the Congress of Russian Communities, which is making increasingly aggressive and large-scale inroads in the republic by means of printed matter. Toward the end of the week cartons of pasteurized milk carrying publicity for S. Shakhray appeared in Ufa stores. The vice premier is depicted as a hedgehog with an apple [yabloko] stuck on its spines and with a speech bubble saying: "I'm spiny, I'm prickly but I won't bite." Shakhray's dairy advertising appeared later in Ufa than in other cities, which people attribute to President M. Rakhimov's negative attitude toward such campaigning, especially when it is in favor of a well-known opponent of Rakhimov (remember that A. Arinin is running as a PRES [Party of Russian Unity and Accord] candidate). It is noteworthy that the appearance of the Shakhray milk in Ufa stores coincided with M. Rakhimov's departure from the republic on vacation.

Forecasts & Commentary

Elections Seen Unlikely To Threaten Stability

MM1112151395 Moscow KRASNAYA ZVEZDA in Russian 9 Dec 95 p 2

[Article by KRASNAYA ZVEZDA observer Aleksandr Golts under the "Topic of the Week" rubric: "Country Is Not Indifferent to the Elections, But Is Not Unduly Concerned About Them"]

[FBIS Translated Text] "Who do they take us for?" — this time the American woman journalist of my acquaintance, who usually observes Russian life with cool irony, was genuinely angry. So angry that she did not even notice she was speaking in the name of Russians (and furthermore echoing my colleague Vladimir Yermolin). When the election campaign began she was instructed to follow all the party advertising on television. And like many people, she had been astounded by the outright vulgarity of the campaign clips and by the fact that they appeal to any part of voters' bodies except for the head. This was right at the start of the election campaign. And I also was asking myself: Are my own people really so naive and primitive as the creators of the TV campaign clips imagine? Are Lieutenant Rzhevskiy, a fleshy bimbo, and a cow and a bull talking about justice images with which voters associate themselves?

However, it now apparently transpires that the gamble on primitivism and "below the belt" humor is not working. One of the main themes of the past week as been a kind of summing up of preliminary results. Not of the elections, of course, but of the election campaign. Although there are still some doubts about the reliability of the results of public opinion polls, they all indicate that the parties that have tried to win popularity via shock tactics have not gained all that many supporters. Once again, the people are proving smarter than they were believed to be.

In precisely the same way the forecasts that on the eve of the elections the country would be swept by a wave of all kinds of scandals and exposes and that dirty linen from suitcases of compromising material would once again be waved in our faces have not come true. I suspect that the problem here is not so much the lack of dirty linen as voters' steadfast refusal to inspect this dirty linen. Be that as it may, there is no longer enough time left to launch a good scandal with subsequent exposes.

But it cannot be said that the people are absolutely indifferent to the elections. Data from opinion polls (despite everything, they are less tendentious than they were two years ago) indicate that the number of Russians who will go to the polls in a week's time is not only not decreasing, it is growing. I think that all this shows at least two points. First, that, despite all the fuss on TV, very many people will make their choice more or less consciously. And second, Russians, unlike many politicians, are by no means full of apocalyptic feelings and do not expect global upheavals as a result of the elections.

One way or another it is rather doubtful that any one party or electoral association will succeed in securing a sufficient majority in the Duma to be able once again to smash and destroy. Say what you like, elections are by no means a revolution. Rather, they are an alternative to revolution. Because on the basis of election results people representing all sorts of views are compelled to seek accord for purposes of lawmaking. Naturally, this means heated debates are in store for parliamentarians, but nevertheless it promises us a relatively quiet life.

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Incidentally, the present Russian branches of power appear to have achieved such accord. The Duma (an instance without precedent in recent Russian history) has just adopted the budget for next fiscal year before the year has begun. And although this budget is a very long way from being ideal, nevertheless, it sets very definite limits within which the next Duma will operate. There are additional guarantees of post-election stability in the fact that the law on the formation of our parliament's upper chamber — the Federation Council — has been adopted at long last. In other words, there are additional guarantees that in no circumstances will there be a legislative power vacuum.

So I don't know whether we have become smarter in the last two years, but we have certainly become calmer. Because we have realized that in fact neither God, the czar, nor any hero will bring immediate prosperity and universal justice even if they are elected to the Duma. And deputies, whether the current lot or the next lot, regardless of whether they are Communists or members of Russia's Choice, are just people like anybody else. They have just as much interest in stability as we do.

Of course, I would be sinning against the truth if I described the situation in the country on the eve of the elections as calm. It is very probable that the gunmen in Chechnya will try to wreck the elections by means of terror. Because they are perfectly well aware that a legally elected government by the very fact of its existence abolishes the laws of the highway. Explosions are continuing to ring out across Russia: from the Duma itself to the kindergarten in Vladikavkaz. But this is more the result of the general criminalization of society rather than of any especially exalted attitude toward the elections. Of course, this does not obviate the need for the security measures that our law enforcement agencies are taking on the eve of the elections. People in both Chechnya and Moscow must be confident that neither political terrorists nor common criminals or hooligans will prevent them from voting.

Nevertheless, the mood of society is such that the elections and their consequences will not lead to global and dangerous changes. Politics is apparently beginning to occupy its proper place in our minds. An important place, but by no means the main one.

Yavlinskiy: 'Madness' To Try Rebuilding USSR

BR1112140895 Rome LA REPUBBLICA in Italian 10 Dec 95 p 15

[Interview with Yabloko leader Grigoriy Yavlinskiy by Fiammetta Cucurnia in Moscow; date not given: "New Russia Faces Communist Threat"; first paragraph is LA REPUBBLICA introduction]

[FBIS Translated Text] Moscow — On the new Russia's increasingly Red and nationalist horizon, only one party of democratic reform has remained afloat: Yabloko, the Apple. According to the opinion polls, it should secure 15 percent of the votes, and its leader, economist Grigoriy Yavlinskiy, intends to use them as springboard to the presidential elections. He is issuing a challenge in all directions, alone versus everyone — versus Viktor Chernomyrdin and his "Russian home" ["Casa nostra Russia"] government, he said, emphasizing the assonance with Italy's own Cosa Nostra [mafia]; and against Boris Yeltsin, "because," he explained, "as long as he remains in the Kremlin Russia's problems, starting with the Chechen crisis, cannot be resolved." But above all Grigoriy Yavlinskiy has declared war on the Communists. "They cannot be trusted," he averred; "they are prepared to make us all regress by allying with the nationalists and even with the Church."

[Cucurnia] Mr. Yavlinskiy, you said that a possible Communist victory in the coming election represents a serious danger.

[Yavlinskiy] The Russian Communist Party has several different tendencies. One of these, of "social democratic" stamp, so to speak, is that represented by Gennadiy Zyuganov. But it commands a small minority and is superficial. Behind it very different forces are active, determined to exploit Zyuganov's men for purely tactical purposes, that is, to achieve power by using the democratic instruments. Once the objective has been achieved, there are two possible alternatives: The first is that they gain a majority of votes in the coming election and are brought into government without changes of any kind with regard to present policy; and the second is that, after the victory, the moderates are eliminated and the party's hard line tries to block the reforms and to restore the power of the soviets.

[Cucurnia] But do you really think that this is possible, after all these years of democracy, even before the next presidential elections?

[Yavlinskiy] The presidential elections here are like the "Scarlet Pimpernel": Everybody knows that they should take place, but nobody can say how, when, in what way, or under what conditions. The Communist Party, however, is an ideological party, and there are some very innovative aspects in the Russian Communists' ideology. The blueprint the first signs of which are apparent even now is clear, and very, very insidious: They are planning, as Zyuganov says, to combine the devil and holy water, the Whites with the Reds. That would mean the Communists and nationalists

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joining forces, under the great umbrella of the Russian Orthodox Church. This is a vast project and a winning formula. If it were to happen, Russia would become a fundamentalist country.

[Cucurnia] Even two years ago it seemed as though the Russians had been permanently immunized against communism. Does this sudden return prove the democratic parties' failure?

[Yavlinskiy] It must be kept in mind that the present government makes political gestures every day and makes decisions likely to increase unemployment, poverty, and social tension. This is all fertile ground for communism and other forms of extremism. This is a government of monopolies that wants to kill all economic activity. The mother of the communism that is advancing is called Boris Yeltsin. Viktor Chernomyrdin and his government are the father. Furthermore, there is a now a danger of Russia's disintegration. If railroad and air transport charges remain so high, for instance, the Far East will have to resign itself to being isolated from the European part. Its economic interests will shift elsewhere. Even under the tsar, train fares were payable only as far as Chita; beyond that station, tickets were free.

[Cucurnia] Nevertheless the problem of possible alliances remains.

[Yavlinskiy] I would tend to rule out an alliance with the Communists. No tactical plan or rationale of power can alter this. I have a fairly clear idea of what decisions to adopt in the economic, domestic, and foreign policy fields. I do not want to wage this battle only then to become president of a banana republic. I want to be able to appear in public in five years' time and to tell the country: You were resigned to remaining in this sewer forever, but we have set ourselves back on our feet in a dignified manner. In order to talk about alliances it is also necessary to be dealing with truly representative political forces. The December election will show with whom it is possible and necessary to join, on the basis of programs and democratic principles.

[Cucurnia] Your program and that of the Communists do converge on one point — nostalgia for the USSR.

[Yavlinskiy] There is no doubt that it was irresponsible to destroy the Soviet Union. Right now it would be madness to try to reassemble the empire. I believe, however, that it is indispensable to have an agreement to unite the economic space of the former republics. Military and political agreements are pointless, and even dangerous.

[Cucurnia] You have traveled a great deal around Russia during this election campaign. How do you think voters have changed in the past two years?

[Yavlinskiy] Everyone understands that the real objective is not this election, but the presidential elections, and they are preparing to elect a tsar. This is not easy, because it is the first time that the Russians have elected a star, a gentleman with unlimited powers who can get up one morning and decide to wage war on Chechnya without asking anyone's permission.

Zhirinovskiy: LDPR 'Ahead of All the Rest'

BR1112140595 Rome LA REPUBBLICA in Italian 11 Dec 95 p 11

[Interview with Vladimir Zhirinovskiy, Liberal Democratic Party of Russia chairman, by Fiammetta Cucurnia in Moscow; date not given: "Zhirinovskiy Rails Against Criminal Government"; first paragraph is LA REPUBBLICA introduction]

[FBIS Translated Text] Moscow — In the previous general election in 1993, convened very hurriedly in the wake of the bombardment of the White House, Vladimir Zhirinovskiy was the only real winner. With his surprising 23 percent share of the vote, he embodied in the West's eyes the nightmare of a Russia transferring from communism to ultra-nationalism. Since they could not vote for the newly expelled communists and did not want to vote for the people in the Kremlin who were still causing bloodshed and poverty in the country, the Russian people chose the only possible alternative — the crazy fascism of the Russian, Zhirinovskiy. But two years and innumerable scandals later, the little dictator's star has waned. The Russians no longer throng to him at public rallies, and they switch channels when his spots appear on TV. But some say that he has up his sleeve an idea capable of once again transforming him from a fascist demagogue into a dangerous competitor in the 1996 elections.

[Cucurnia] Mr. Zhirinovskiy, according to all the opinion polls carried out hitherto in Russia, your popularity is at its lowest ever level. How do you explain that?

[Zhirinovskiy] What opinion polls? These Russian sociologists inherited from communism are masters of falsehood. Let me tell you that a while ago the secret services unleashed around Moscow a small army of men to examine public opinion. It emerged that my party is at least 20-30 percent ahead of all the rest, but you will see that the official results are quite different, as in 1993 when we won 40 percent but they granted us only 25 percent. But what can we do about it? This is Russia — a hodgepodge of lies, idiots, and terrible roads. The

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people, however, are a great people. Despite the terrible roads, they succeed in going into space, and despite the idiots, they manage to build sophisticated submarines. Let me tell you, it is Russia that is the land of miracles. Moscow will never become Paris: This is the fault of Gaydar and Yavlinskiy. And of the Bolsheviks, who wanted to turn everywhere into Zurich.

[Cucurnia] But judging from people's attendance at rallies, the Russian people's favorite is no longer you but General Lebed.

[Zhirinovskiy] That swindler? I am very well aware of who Lebed is. He collaborated with the mojahedin in Afghanistan and Moldova, at the head of the 14th Division of the Russian Army; he managed to organize a very suspect bank, through which money secured by devious means in Germany flowed. Some Rambo!

[Cucurnia] What changes have there been in your election program since 1993?

[Zhirinovskiy] Virtually none, because the objective remains unchanged — to build a free, democratic, and law-abiding society, without criminals in government.

[Cucurnia] Things have changed in the country over the years. The war in Chechnya, for instance. You have always been in favor of that invasion, which has brought death and destruction to the country without resolving the problem.

[Zhirinovskiy] What war are you talking about? Do you consider that a war? What we have witnessed is a ridiculous parody of war. If we had been in earnest, the Chechen problem would no longer exist even in people's memories.

[Cucurnia] Mr. Zhirinovskiy, at all your rallies you return to the subject of the USSR, and talk in terms of loss and mourning. Do you want to reestablish the Soviet Union?

[Zhirinovskiy] We are absolutely opposed to any idea of reestablishing the USSR. Indeed, we are even against the CIS. We are in favor of Russia and in favor of welcoming with open arms only those who want to join us voluntarily. But we will never accept Azerbaijan and Georgia, or Uzbekistan. Oh, no, that would be too convenient; we are tired of feeding and maintaining others. In order to be wealthy Russia must be freed from its burdens. Another issue is how a handful of people who met in a wood four years ago decided to eliminate our state without further ado. They were real traitors. This was a great country that was called an empire and that ended like that, with no glory. I can think of no other country destroyed in such a cowardly manner by its own leaders.

[Cucurnia] During the previous election campaign you made many promises, swearing you would guarantee homes to the homeless, adequate pensions to old people, lovers to single women, and so forth. Will the voters forgive you for misleading them?

[Zhirinovskiy] I have not misled anyone; indeed, thanks to our party, the government has had to keep vodka prices low and Russia has rushed to the Serbs' aid. But of course the ruling clique has not allowed us to form a government of our own, and has refused to take into account that we are the foremost party. They control everything on their own — the country's great resources, gas and oil. They propose to us a form of capitalism that entails Russian girls walking the streets of Vienna and Paris. A market economy that consists of abandoned children who turn into delinquents, mafia gang members, and old people who die of deprivation in their homes without being able to afford either food or medicine.

[Cucurnia] Are you not afraid of attacks, particularly with a view to the presidential elections?

[Zhirinovskiy] Of course, in our country a deputy is killed every six months and there have been innumerable attacks. But my bodyguard includes at least 50 former KGB officers, and I am not afraid.

[Cucurnia] Do you think that Boris Yeltsin should stand in the next presidential elections?

[Zhirinovskiy] No! How long do you think a poor old man, who never sets foot outside the hospital, can occupy such a position?

[Cucurnia] Many people fear that you have in mind an alliance with the Communists.

[Zhirinovskiy] My party does not need alliances. Only weak parties need to ally. And we are strong.

NDR's Shokhin Interviewed on Election Issues

MM1212093295 Moscow RABOCHAYA TRIBUNA in Russian 9 Dec 95 p 2

[Interview with former Deputy Premier Aleksandr Shokhin, candidate for the "Russia Is Our Home" movement, by Stanislava Dombrovskaya; place and date not given: "Aleksandr Shokhin: 'Power Should Not Be Given Away Just Like That...'"]

[FBIS Translated Excerpt] [passage omitted] [Dombrovskaya] Aleksandr Nikolayevich, until very recently you frequently submitted to the Duma your draft law, the so-called "Shokhin Amendment." What determined the importance of this project?

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[Shokhin] I believe that it was essential to make amendments to the legislation on elections that would ensure civil rights and secure the future State Duma's status as the Russian federal organ of state power. This applies especially to intensifying public monitoring of the elections and guaranteeing the honest counting of votes and the fair distribution of deputies' seats in the future Duma.

If you treat the elections like a game, it is impossible to understand the logic of my actions. Everyone is perfectly aware that the movement which I represent — "Russia Is Our Home" — would not receive any advantage in the event of these amendments being adopted, and, with the replacement of the 5-percent barrier for the party lists with a "floating" barrier, would actually lose several seats. But I believe — and my comrades in the movement support me in this — that the stability of the county's political development is undoubtedly more important than a couple of extra points in the election race.

It is a great pity that this viewpoint simply did not meet with understanding in parliament.

In any case, the adoption of my draft law was aimed only at "cosmetic repairs" to the legislation on elections. But, alas, fundamental repairs are needed. And the future Duma will have to deal with them anyway. It seems to me that the most natural electoral system option for Russia is two-round elections, both on party lists and in single-seat districts.

[Dombrovskaya] Certain political scientists are putting forward the theory that the "Yabloko" episode with regard to the law on elections was initiated by the authorities in order to arouse the interest of Russians in the election campaign. What do you think of this theory, Aleksandr Nikolayevich?

[Shokhin] Obviously, the results of the elections depend on voter turnout. For instance, the Communists' electorate will obediently come to the ballot boxes whatever the weather. But the more people take part in the vote, the more chances the other parties have. At any rate, this theory sounds plausible. But it makes things somewhat uncomfortable for the people: Such a palaver for their sake, and they stay home! This method of stimulating citizens is more sophisticated than point-blank calls for people to take part in the elections. If this is indeed the case, it testifies to the farsightedness of our politicians. After all, the authorities' task is to create the conditions for the composition of the State Duma to reflect society's real interests.

[Dombrovskaya] Today there is a lot of talk about confrontation between the presidential staff and the government. Are there really two fields of play during the election campaign? Or is there only one field — and not of play, but of battle?

[Shokhin] I think that such rumors have died down in recent times. After all, confrontation is ultimately futile. Both the administration and the government should be concerned only with one thing — stability and not allowing nervous shocks in political life.

But if you examine this thesis in the context of the parliamentary and presidential elections, it turns out that here, too, unity is essential: If the president intends to run. He needs support.

On the other hand, if the president decides not to run for a new term, once again it suits him to have Chernomyrdin as an ally. Hence sharp contradictions between the government and the presidential staff should not arise in the near future.

On the other hand, December's elections could bring a "new wave" into parliament — if the Duma proves to be "anti-Chernomyrdin," no key decision will be carried, and the need will arise to reconstruct the cabinet.

This could be done in the course of business: holding talks with representatives of several factions and bringing their representatives into the government in order to create a coalition supporting the government in the Duma. The resignation of the premier is certainly not obligatory as a "curtain-raiser" — that is, as they say, the last resort. After all, the resignation of Chernomyrdin would make him a realistic candidate for the presidency. Hence a scenario whereby, at the very least, the leaders of the current cabinet are retained, while representatives of a number of factions, or of professionals nominated by these factions, are brought into it, is more probable.

I think that power should not be simply given away just like that. Otherwise what were our people's sufferings for?

[Dombrovskaya] Do you not think that Zyuganov has suddenly become "fashionable" nowadays, even in intelligentsia circles? And how do you interpret this?

[Shokhin] In personal contacts he is prepared to reveal his social democratism. And I believe that this is sincere. But the electorate toward which the Communist Party of the Russian Federation is geared supports, if you like, Brezhnevite-Stalinist socialism. Therefore, Zyuganov is forced, on the one hand, to meet these people halfway and, on the other, to manipulate them. Hence he is a social democrat in his closet, but a Bolshevik at rallies.

There are two possible theories regarding Gennadiy Andreyevich [Zyuganov]. If he is a social democrat, he

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is being disingenuous at rallies. Having seized power, he will become a social democratic reformer. Or on the contrary — he is being disingenuous when playing the part of social democrat in embassies and among American entrepreneurs. At any rate, he is a normal, cynical politician. But which way will he turn — that is the question.

[Dombrovskaya] How important is it, in your view, for a politician to spend some time in retirement?

[Shokhin] It is important. In order to think over the road you have traveled and consider your next steps more carefully.

[Dombrovskaya] Why did you join the "Russia Is Our Home" movement?

[Shokhin] At one time I was involved in drafting the government's concept of economic reforms in Russia. I have always taken closely to heart all the failures on the road of implementing these reforms. Much has been achieved, but there is much yet to do. If my experience is useful to society, I can make use of it primarily in the area of stabilizing the economy. As an economist, I understand that, by contrast with the numerous promises of the various political organizations, it is the "Russia Is Our Home" movement that is taking, and intends to take, practical steps in this direction.

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CIS: Communist Forum Advocates Reunification

MM1212131295 Moscow SOVETSKAYA ROSSIYA in Russian 10 Dec 95 p 1

[Report by Galina Sedykh: "Communist Parliamentarians for Repeal of Belovezhskaya Forest Agreements. Will for Reunification"]

[FBIS Translated Text] A forum attended by communist deputies working in the parliaments of the CIS, particularly from Belarus, Ukraine, Armenia, and other former union republics, was held in the capital's Parliamentary Center on Tsvetnoy Bulvar yesterday on the initiative of the Communist Party of the Russian Federation [CPRF]. The event was devoted to the fourth anniversary of the Belovezhskaya Forest agreement which began the breakup of the great power. There was a substantive discussion of the revival of the union state.

The forum was opened by Gennadiy Andreyevich Zyuganov, who said that the Communists' faction in the State Duma has recently held a number of important and crucial meetings, working in three areas. First, candidate deputies for the CPRF have traveled all over Russia and, in addition to speaking about their election platform on meeting with voters, have spoken about the Communists' view of the way out of the dramatic situation prevailing for all the peoples of the Soviet Union. Second, international activity. A congress of the Union of Communist Parties which have formed on the USSR's territory and which now have 1.25 million members has been held. Very important documents were adopted at that congress: a general program and rules. They do not encroach upon political independence but are aimed at reviving our historical and traditional friendship and restoring the destroyed USSR stage by stage. Third, the CPRF faction has finally agreed key positions and secured support during the election campaign. On the initiative of the Ukrainian delegation an appeal to all Russian Federation voters was adopted at the meeting of the communist parties' leaders: Support the CPRF in the upcoming elections as the largest, mass party of the working people.

Addressing the gathering, G.A. Zyuganov then said:

"We must decide how, within what deadline, and in what sequence to carry out the most urgent tasks which would enable us to create the most favorable conditions for restoring economic ties and reliable borders to prevent weapons, drugs, and 'dirty money' from being brought across them and to prevent everything created by citizens' labor from being taken out. To create conditions under which it would be possible to fight crime jointly, together, and effectively; to ensure that our children are able to study in higher educational institutions in Moscow and Kiev, Minsk and Almaty. To create conditions for the next step, when in national referendums we will be able to restore everything that was destroyed in the Belovezhskaya Forest by those who at that time violated the people's will expressed in the referendum of the USSR's peoples."

The speech by Russian Federation State Duma Deputy Anatoliy Lukyanov was devoted to an analysis of the reasons for the breakup of the Soviet Union, when party committees were destroyed by really fascist methods after September 1991 so as to break the Union's unified linchpin, which was the party, and it was under these conditions that the possibility of the Belovezhskaya Forest agreements emerged.

The leaders of the communist parties of Ukraine, Armenia, and Belarus spoke of the fact that the same unjust deeds in respect of the peoples are being perpetrated in their republics as in Russia. People everywhere are leading a grave, hard, and cheerless life. Everyone understands the people's pain, because the breakup of the great power cut to the quick all the threads linking the fraternal peoples.

The peoples' will now is to reunite the country, replace the regime, and create a government of people's trust.

CIS Secretary on Economic, Military Issues

WS0812113795 Minsk NARODNAYA GAZETA in Russian 6 Dec 95 p 1

[Interview with CIS Executive Secretary Ivan Mikhaylavich Karatchenya by an unidentified correspondent; place and date not given: "We Cannot Live Without One Another" — first two paragraphs are NARODNAYA GAZETA introduction]

[FBIS Translated Text] **On 8 December, the CIS will celebrate another event in its history. On 8 December four years ago, leaders of three Slavic republics signed only two documents in Belaya Vezha Viskuli. None but they had to place the last full stop in the annals of the Soviet Union and write the first line in the biography of a new unity of young sovereign states.**

On the eve of the CIS anniversary, we asked CIS Executive Secretary Ivan Karatchenya several questions.

[Correspondent] Ivan Mikhaylavich, it is no secret that millions of people associated the establishment of the CIS with their hopes of resolving primarily economic and social problems and improve their difficult lives...

[Karatchenya] Yes, we have to pay a high price for the disruption of former economic links on the entire

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post-Soviet territory, and the construction of customs barricades on the usual routes for transit of goods. Over the years 1992-94, the average GDP of the CIS decreased by 39 percent. The statistics of some states are as follows: GDP in Uzbekistan dropped by 17 percent, in Belarus — 35 percent, Russia — 39 percent, Ukraine — 40 percent, Kazakhstan — 43 percent, Kyrgyzstan — almost 50 percent, Moldova — 52 percent, Azerbaijan and Armenia — around 60 percent, and Georgia — 75 percent. Over the past three years, retail prices increased hundreds of times, and living standards of the majority of the people fell dramatically.

Regrettably, one failed to eliminate crises which, by the way, had emerged long before Viskuli, although some states can already see a way out of the most difficult economic stagnation.

Economic experts see positive tendencies in the economic development of Uzbekistan, Turkmenistan, Kyrgyzstan, Moldova, and Russia. They are inclined to associate these improvements with the implementation of the course toward the establishment of an economic union — as was stated in an agreement — to deepen the integration of former Soviet republics based on market and sovereignty principles.

Among positive things, I would also name the fact that a standing body of the economic union — an interstate economic committee — the first CIS working body authorized to adopt decisions obligatory for all its member-states, began to work in Moscow.

[Correspondent] What, in your opinion, hinders a more close cooperation?

[Karatchenya] Regrettably, I cannot provide a straightforward answer. First, one should not forget that the movement toward integration is possible now only on a volunteer basis; no pressure or pushing toward the adoption of decisions is admissible.

Second, it is necessary to coordinate efforts of countries to conduct national economic reform, create, as in Europe, similar market mechanisms; harmonize customs, monetary and financial, pricing, tax, and other economic legislations; or, in a word, synchronize everything that experts call macroeconomic policy.

Third, one cannot limit to establishing relations on the level of the state, because intensive links between market subjects of all forms of ownership, from giant state enterprises to tiny private companies are needed. Naturally, their business relations can be built only on the principles of common purpose and mutual benefit. Authorities, however, must create maximally favorable conditions for the development of similar relations and contacts.

[Correspondent] The number of documents signed within the CIS framework, cited both from rostrums and in the press, comes to over 60. But simultaneously, reproaches are heard: Very few contracts and agreements are effective. What is the matter? Are the documents inadequate or are there any other reasons for a cool attitude toward them?

[Karatchenya] Regrettably, statistics, before and especially now, are effectively used by politicians as a seasoning to cook various propagandistic dishes. A three-digit number of adopted decisions could be used to prove a very depressing conclusion: Why should so many documents be adopted if they are not implemented? It is, however, also possible to say — using the same figure — that the legal environment for mutually beneficial cooperation has been constructed; there are no serious legal obstacles to the development of integration; esteemed leaders of independent countries and peoples, perform your work!

For example, documents on coordinated efforts of CIS states on the foreign economic arena that were signed at different times open tempting prospects and opportunities. They stress the CIS's unquestionable priority in commodity turnover. But, what has occurred in reality? Interstate exchange in products and services on the CIS territory decreased every year, but trade between CIS countries and far abroad countries increased all the time...

[Correspondent] An individual does not only care for material assets. Hence, it is time to discuss other problems, for example, collective security and the treaty signed in Tashkent in May 1992. They say that striving toward collective security is more declared than implemented.

[Karatchenya] No, it is not a declaration. If otherwise, it would have been named so. This treaty signed by heads of five states when the CIS was five months old — later, another four CIS member-states joined it — envisages specific measures, and moves toward creating a collective security system. Regarding quite definite actions, moves — have you ever thought what could have taken place on the Tajikistan-Afghanistan border if there were no CIS collective peacekeepers? Their core is Russian troops, but there is also a battalion from Kazakhstan and units from Kyrgyzstan and Uzbekistan. They will be stationed there as long as it is needed. Heads of states which sent their military units stated this firmly. What about the Georgia-Abkhazia conflict? It has been liquidated. What about the ceasefire agreement in the Armenia- Azerbaijan conflict signed with the direct participation of Russia?

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[Correspondent] There are, however, purely military aspects of collective security, for example, air defense.

[Karatchenya] Of course, this issue is one of the most important. In the USSR, a system — unique in its opportunities — of not only air defense [PVO], but also antiballistic missile defense, was created. The USSR split; thus, this system split as well. The division of materiel and armaments was not everywhere or always conducted in a civilized way. In some places, components of missile fuel, parts of antiaircraft guided missiles, and aviation means have been left without control. In addition, plants producing — for example — PVO systems or spare parts for missiles were located in different countries. Tajikistan and Kyrgyzstan were left completely without PVO. There is some materiel in Turkmenistan but it is ineffective without experts. As regards Ukraine, Belarus, Armenia, Azerbaijan, Kazakhstan, a system to control outer space and airspace was located there. How can parts of this system exist separately? In general, the sky must be protected by joint forces; the PVO system must be indivisible.

[Correspondent] Is there a common understanding of this need?

[Karatchenya] Considerable progress was achieved on 3 November when heads of states signed decisions on measures to establish a joint PVO system. All CIS countries except for Moldova, Turkmenistan, and Uzbekistan joined this system. Consultations are being held with the leaders of these countries.

[Correspondent] Security of CIS states cannot be discussed out of the context of relations with NATO.

[Karatchenya] The Russian position on this issue is well-known. Other CIS states also support it. Military experts say that the implementation of the Conventional Forces in Europe Agreement placed upon each CIS country will lead to the violation of parity in forces. They even declare that if the participants in the agreement implement it in its entirety, NATO, as one of the sides, could turn out to be a two- or 2.5-fold winner in some types of weapons. I will only add to this that weapons and materiel of the Warsaw Pact that remained in the Czech Republic, Hungary, Bulgaria, and Poland will only strengthen NATO if these and other countries join it.

[Correspondent] The last question is perhaps typical for you: Are there prospects for the CIS?

[Karatchenya] You are right, this question is more than traditional. My answer will also be traditional: I believe in the CIS, its reserves, and the goodwill of its people, who were united by a single history and destiny over many decades.

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Yeltsin, Germany's Kohl Talk of Upcoming Conferences

LD1112172595 Moscow ITAR-TASS World Service in Russian 1657 GMT 11 Dec 95

[FBIS Translated Text] Moscow, 11 Dec (ITAR-TASS) — Preparations for the G-8 summit on nuclear security problems were discussed during a telephone conversation today by Russian President Boris Yeltsin and German Chancellor Helmut Kohl. The meeting is to take place in Moscow in April 1996.

The head of state's press service announced that there had also been an exchange of views on the upcoming international conference on Bosnia, to be held in Paris, and also on several points pertaining to bilateral relations.

SPD's Lafontaine Meets Russian Social Democrats

MM1112090995 Moscow IZVESTIYA in Russian 8 Dec 95 p 3

[Report by Konstantin Eggert: "Germany's Chief Social Democrat Has Yet To Find Brothers-in-Arms in Russia"]

[FBIS Translated Text] "As soon as he became head of the party the Social Democrats' ratings rose from 27 to 35 percent within a week," one of the leaders of the Friedrich Ebert Foundation, German social democracy's think tank, said, unable to conceal his admiration.

Oskar Lafontaine, minister-president of Saarland, who recently became chairman of the SPD [Social Democratic Party of Germany], is one of the most popular politicians in the FRG. His visit to Moscow was planned even before Lafontaine replaced the despondent, hapless Rudolf Scharping as head of the party on 16 November. The fact that he did not postpone the trip to Russia is apparently no accident. A vigorous speaker, combining the qualities of a European intellectual and a man of the people, the 52-year-old Lafontaine hopes to lead Germany into the 21st century as chancellor. And Moscow occupies a central place in his foreign policy priorities. "Our party was there at the birth of what used to be called 'Bonn's Ostpolitik,'" the Saar premier recalled. "It was a Social Democratic cabinet that began conducting a policy of detente and in many ways we are indebted to it for the Helsinki Conference. Today we are suggesting that the Cold War era bloc mentality should be abandoned and the concept of 'joint security' should be embraced."

Lafontaine voiced this idea again and again over two days of meetings with a whole series of Russian politicians, including Andrey Kozyrev and Gennadiy Zyuganov, Grigoriy Yavlinskiy and Sergey Filatov (who made a great impression on the German visitor, according to people who participated in the conversation), and the heads of both chambers of parliament, Rybkin and Shumeyko. In conversation with your IZVESTIYA correspondent, the SPD chairman described "joint security" as a quest for new forms of cooperation, which goes further than the development of existing structures. This is what Moscow wants to hear. But Lafontaine does not rule out the expansion of NATO. In his opinion, this step could well be part of the general process of creating a "new security architecture involving Russia" — a statement so vague that it can easily be interpreted any way you like.

Talking about Russia's political landscape, the leader of the German Social Democrats was cautious. Despite his meeting with Vasiliy Lipitskiy, who aspires to the title of chief social democrat, Lafontaine did not claim that his party has Russian "brothers-in-arms" and preferred the diplomatic: "We are amenable to dialogue." In private conversations people from his entourage were very clear: "The 'new left' in Central Europe and the Baltic states, people like Kwasniewski or Brazauskas, do not worry us. But we do not class Zyuganov and his party with them." We were able to establish that Gennadiy Andreyevich himself, in conversation with Lafontaine, did not explain in what way his program differed, for example, from the ideas of the Polish Social Democrats, saying only: "Our country is different. It is much bigger than Poland and it also has more problems."

Oskar Lafontaine views the future with undisguised optimism: "The SPD has been through difficult times, but its popularity is now on the increase. But the word 'crisis' is not entirely applicable to the state of the ruling coalition. We have clear-cut alternatives to the present course — protection of the social state [sotsialnogo gosudarstva], environmental, reform, and equality for women. The Social Democrats are opposed to the expansion of arms exports and are opposed to Bundeswehr involvement in peacemaking operations and in favor of its involvement in peacekeeping actions." Lafontaine was not disconcerted by the remark: "Before peace can be kept, it sometimes, as in Bosnia, has to be made." "We in the SPD believe that it is senseless to wage war in order to achieve peace," came the reply.

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NATO Seen Wanting 'Phantom Role' for Bosnia Brigade

LD1112180495 Moscow ITAR-TASS in English 1742 GMT 11 Dec 95

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, December 11 (ITAR-TASS) — The bids by some of NATO commanders to tuck the Russian brigade away from Brcko, northern Bosnia, may make senseless Russia's participation in the peace implementation operation, said Colonel Andrey Demurenko, the headquarters chief of the Sarajevo sector of the United Nations Protection Force.

Demurenko told ITAR-TASS by phone today that he had tips that some command structures of NATO had been considering the possibility of moving the headquarters of the Russian peace force eastwards, closer to the Bosnian-Yugoslav border.

This would leave the Russian contingent in a backyard with a phantom role, Demurenko said after reconnoiting the tentative stationing area on orders from his command.

Previous accords between Moscow and NATO assign the Russian 1,500-strong brigade to Brcko, a vantage point over the Posavina corridor, and to areas around it. Demurenko is in consultations with the Serbs about the stationing plan, and they have shown agreement to it.

Changes in the areas of responsibility in northern Bosnia, mapped out at a high level, would injure Russian interests, Demurenko said.

Deputy Minister Says Moscow 'Key Player' in UN

LD1112173695 Moscow INTERFAX in English 1458 GMT 11 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 11 (INTERFAX) — Russian Deputy Foreign Minister Vasiliy Sidorov told INTERFAX that he could not agree with those saying that "Moscow's policy is subordinated to some forces in the West."

"Russia is a key player on the U.N. field," he said.

"We have our national interests which sometimes fail to coincide with these of our partners, for example the United States," Sidorov said. "We defend these interests very firmly. We are not a yes-man but have our own voice," he said.

"However, this does not mean that Russia should artificially underline some special stand," Sidorov said. "I think our state interests mean that we should find a common language with other members of the U.N. Security Council, especially with the permanent members," he said.

With regard to the U.N. Security Council's enlargement, Sidorov said this issued should be considered rather cautiously. "The U.N. Security Council is intended to urgently respond to developments in the world. The present 15 members of the U.N. Security Council need hours or days to coordinate a common stand. I cannot imagine a situation when the U.N. Security Council consists of some 30 members. This would be complete chaos. The U.N. Security Council would be paralyzed," Sidorov said.

"Russia can accept an enlargement to 20 or 21 members. The key point is who will join the U.N. Security Council and which status the new member will have. Germany and Japan top the list of contenders as two of the most important actors on the international scene. However, the third world does not want to stay aside after Germany and Japan become part of the U.N. Security Council," Sidorov said.

IZVESTIYA Reports on Dniester Peacekeeping Proposal

MM1212144595 Moscow IZVESTIYA in Russian 10 Dec 95 p 3

[Report by Svetlana Gamova: "President Snegur Is Against the 14th Army Even If It Swaps Its Green Berets for Blue Ones"]

[FBIS Translated Text] Chisinau — The idea of forming peacekeeping battalions on the basis of the operational group of Russian forces stationed in the Dniester Region has been firmly rejected by President Snegur. In his view, giving peacekeeping status to a few subunits of the former 14th Army would be to turn it into a military base, which, moreover, would have in its possession arms worth several billion dollars. The president of Moldova was referring to dumps in the village of Kolbasnoye and other arsenals of the former Odessa Military District. "Don't we know who this army would pacify?" — Mircea Snegur observed.

The proposal, behind which the Moldovan side saw a possible trick and an attempt by Russia to maintain a military presence, was made by the Russian delegation to the Joint Control Commission stationed in the Dniester security zone. According to Russian Foreign Ministry representative Vladimir Ustinov, what was intended was certainly not the transformation of all the army units into peacekeeping units, but the formation of two peacekeeping battalions from among the new recruits. They would serve for two years, and not six months as at present, which would naturally save the

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considerable resources which are spent on rotation and movement of equipment. The operational group's barracks, which are half-empty today, could also have been used. As for the arms, according to Valeriy Yevnevich, commander of the operational group, all the pre- war models of mines and shells have been destroyed on site. Whatever is worth removing will be removed.

But Moldova still insists on the immediate withdrawal of Russian troops from the Dniester Region.

Deputy Minister Krylov Received by Cypriot President

LD1212111395 Moscow ITAR-TASS in English 1057 GMT 12 Dec 95

[By Aleksey Yerovchenkov]

[FBIS Transcribed Text] NICOSIA, December 12 (ITAR-TASS) — Specific measures to resolve the problem of Cyprus were the main subject of discussion during a meeting between President Glavkos Kliridhis of the Republic of Cyprus and Russian Deputy Foreign Minister Sergey Krylov on Tuesday.

The two sides pointed out the importance of a continuation of the international community's efforts to unblock the Cyprus problem and of Russia's involvement in the peace process as a Permanent Member of the United Nations Security Council. It was emphasised that it is impossible to achieve a stable and lasting settlement of the Cyprus problem without Russia. The President highly appreciated Russia's role in the Cyprus peace process.

The Russian Foreign Ministry delegation was also received by Cyprus Foreign Minister Alexandros Mikhailidhis. Attention was focused on matters aimed at broadening Russo-Cypriot interaction both in the political sphere and in other fields of friendly cooperation between the two countries and peoples.

Tumannaya River Basin Development Accord Signed

LD0812143795 Moscow ITAR-TASS in English 1133 GMT 8 Dec 95

[By Vyacheslav Tomilin]

[FBIS Transcribed Text] BEIJING December 8 (ITAR-TASS) — Government representatives of Russia, China, North and South Korea, and Mongolia have signed three agreements at the United Nations Organisation on the promotion of the economic development of the Tumannaya river basin in North-East Asia.

According to reports reaching here from New York on Friday, the sides view the package of documents as an "essential legal basis for international business cooperation in that promising area".

The project, the idea of which originated at the beginning of the 1990s, is intended for a period of 20 years. It provides for comprehensive economic and social development of the area with a population of 300 million at the junction of the borders of China, Russia, and North Korea, specifically, the establishment of a modern infrastructure and power facilities.

The cost of the project, which will be implemented under the auspices of the U.N. Development Programme, is estimated at 30,000 million U.S. dollars. Provision is made that the area will have flexible borders and that contiguous areas may also be invited to participate in the co-development of the territory.

According to documents, which were initialed in Beijing in May, a Coordinating Committee for the development of Tumannaya river basin and a Consultative Committee for the development of North-East Asia and the river basin are being set up. The sides have also agreed to observe ecological standards in the development of the area.

Former Ambassador on Grachev's Israel Trip

MM1212102495 Moscow SOVETSKAYA ROSSIYA in Russian 9 Dec 95 p 2

[Article by retired Ambassador Vasiliy Safronchuk, UN deputy secretary general, 1987-1992: "Pavel Grachev's Visit to Israel. Pies and Boots"]

[FBIS Translated Text] Russia has not ceased to amaze the world with the blips and U-turns in its foreign policy. The last such U-turn was the recent fairly lengthy visit paid by Russian Defense Minister Pavel Grachev to Israel. In connection with this visit a question involuntarily arises — Who ultimately determines and implements Moscow's foreign policy — the president, the defense minister, or the foreign minister? Foreign Minister Andrey Kozyrev wondered this himself a few days ago. He complained that the Russian Foreign Ministry is simply unable to coordinate the country's foreign policy since each department is trying to pursue its own foreign policy. You involuntarily get the impression that there is some kind of competition under way between the two ministries for first place in Russia's foreign affairs, moreover the scales have clearly been tipping in Grachev's favor of late.

Let us take a look at the results of Pavel Grachev's diplomatic visit to Israel. First and foremost I must point out that the Soviet [as published] minister was received in Israel at the highest level and with great ceremony. No Russian statesman who visited Israel

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since the resumption of diplomatic relations in 1991 was accorded such a warm reception by Israel. The Israeli press devoted far more attention to the visit than the Russian press. The Israeli leadership has every reason to be pleased with Pavel Grachev's visit, its results exceeded Tel Aviv's wildest expectations. There has been a real breakthrough in Russian-Israeli relations — a framework agreement on military cooperation was signed. The agreement envisages the joint development of new arms and military equipment as well as the coordination of efforts on the world arms market. These agreements are usually only concluded by states with close alliance-partnership relations.

However, the range of issues broached by Pavel Grachev during his conversations with Israeli leaders went far beyond the framework of military cooperation alone. The Russian minister specifically broached the problem of ensuring security in the Near East region and offered Russian mediation in establishing relations between Israel and the Arab countries. According to Pavel Grachev, Russia is quite suitable for this role since it traditionally has good relations with the Arab countries too. He cited Syria and...Iran as an example (the minister had evidently lost sight of the fact that Iran is not an Arab state). The minister voiced the view that Russia's cooperation with Israel should not hamper its relations with the Arab countries. However, Pavel Grachev had not had time to return to Moscow before protests were heard from Arab governments at the military cooperation agreement he had signed with Israel. Presumably the Russian Foreign Ministry and Russian ambassadors to Arab capitals will be hearing plenty of bitter recriminations in the next few days. The Arabs will hardly accept Russian mediation on these terms. For their part Israeli leaders, despite the Russian minister's gift, were not abashed to lodge some of their complaints with him. They especially voiced their unhappiness at the Russian-Iranian agreement on shipments of reactors for the nuclear power station under construction and at sales of Russian submarines to Iran.

You get the impression that Pavel Grachev has a poor grasp of the problems of the Near East region and the origins of the Arab-Israeli conflict. We are reluctant to say that Russia should not try to improve relations with Israel and use its influence to normalize Israel's relations with the neighboring Arab states. But this must be done without harming our relations with the Arab countries, without betraying their national interests.

For 40 years the Soviet Union and the other socialist countries backed the Arab countries — victims of Israeli aggression — and provided them with economic and military aid and political and diplomatic support. It was this aid and support that ultimately forced Israel and its ally, the United States, to agree to a negotiated political settlement of the Near East conflict based on the well known resolutions and decisions adopted by the UN Security Council and General Assembly.

Let us recall that the international conference on the Near East, the idea of which was put forward by the Soviet Union and approved in 1978 by the UN General Assembly, was convened in October 1991 in Madrid. It was opened by the USSR and U.S. Presidents. Within the framework of this conference bilateral talks between Israel, the PLO, Jordan, and Syria have been under way for four years now. Agreements on the Palestinian autonomous formation and an Israeli-Jordanian peace treaty have already been concluded as a result of these talks. Regrettably, following the collapse of the USSR, which was one of the conference's cochairmen, Russia has ceased to play an active role in the Near East settlement and this role has been monopolized by the United States. However, I must say that even during the perestroyka years, when the then Soviet leadership set about making unilateral concessions to the United States, it continued to provide the Arab countries — victims of Israeli aggression — with support and tried to preserve friendly relations with them. At the same time it set about normalizing relations with Israel. But this was done in stages, with no dramatic ups-and-downs and political concessions, without harming the Soviet Union's relations with the friendly Arab countries. First, consular relations were established, then direct air links were opened up, then restrictions on Soviet Jews' migration to Israel were gradually relaxed, and so on. Matters reached a curious point in 1992, when the Israeli authorities themselves began to limit Soviet Jews' migration. Finally, in October 1991 an agreement was signed on the restoration of USSR-Israeli diplomatic relations.

This policy was disrupted after the incumbent regime came to power. Relations with Israel began to be hastily galvanized in all areas. This course peaked in April 1994 when Israeli Prime Minister Yitzhak Rabin visited Moscow. In a single day he met Boris Yeltsin, Viktor Chernomyrdin, Andrey Kozyrev, Pavel Grachev, Vladimir Shumeyko, and Ivan Rybkin and signed six intergovernmental agreements with the Russian premier. No foreign statesman was paid such attention by Russia. But one could hardly have imagined then that Russia would agree to conclude a military cooperation agreement with Israel. This ill-conceived and widely publicized step may aggravate Russia's foreign political isolation and spoil its relations with the Arab and other Islamic countries for a long time to come.

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Tretyakov on Reaction to U.S. Diplomat Graham's Article

964F0501A Moscow NEZAVISIMAYA GAZETA in Russian 30 Nov 95 p 1

[Article by Vitaliy Tretyakov: "Democracy's Second Invasion of Russia (5): Novel With a Sequel. Chapter 'Take Us As We Are....'"]

[FBIS Translated Text] In the last chapter of our novel I used as a background for the election game the setting of the Caucasian war—a traditional device of 19th century Russian belles lettres. But apparently a second traditional device is required as well, namely—without another accursed question for Russia: What are we supposed to do with the West? What indeed? To my taste, "upravlyahyshchiy" [manager] sounds better in Russian than "menedzher" [manager], but the bearer of the language (the great and mighty) does not give a damn about my opinion.

As God is our witness, NEZAVISIMAYA GAZETA does not intend to stir up a scandal over the article by the first secretary of the U.S. Embassy in Moscow, Mr. Thomas Graham, but since the offices of the two "iron chancellors" (Messrs. Kozyrev and Christopher)—the Russian Ministry of Internal Affairs and the American State Department—have been brought in, it would be wrong not to see this skirmish as something more than somebody's lack of professional caution (minimum) or a precisely orchestrated professional intrigue (maximum). What is this something more?

Here it is: The desire on the part of the ruling Russian elite on the eve of the parliamentary and especially the presidential elections to say, like Dostoevsky's hero, to the West, to this St. Martin the Confessor of the political "new Russians": "Take us as we are, the good with the bad."

In my opinion, what happened over Thomas Graham's article was not a diplomatic but a linguistic flap. If the text had not included the word "clans" but the word "elite," which is more acceptable to the "tender ear," there would have been no scandal.

So let us look through the prism not of the degrading "clans" but the noble "elites." (Incidentally, it is not true that this word was initially less offensive. We have, for example, the remarkably sonorous and beautiful word "etalon." In Russian it is a model of quality and an example for emulation. But in French one of the main meanings for this word, if not the main one, is "stallion," and "etalon" in the Russian meaning is derived from "stallion.") But let us return to the "elites."

One time from the mouth of Aleksey Mikhaylovich (not Tishayshiy but Salim, an educated and intelligent Russian political scientist) I heard this remarkable fact: "The nobility, that is, the political elite in 19th century Russia, numbered approximately 150,000 while the general population was more than 100 million. And it ruled the country effectively until it gave itself over to internal quarreling. In general there exists the opinion that a unified elite is always politically stronger than the people, and revolutions, coups d'etat, and "collapses of empires" occur when the intra-elite struggle crosses that dangerous line beyond which it is possible to speak not about the struggle of interests within one elite but about several hostile elites. Naturally, one of them (unless there has been an intra-elite reconciliation) will very quickly gain the upper hand over the others as a result either of a union with the society (citizens, voters, middle class, etc.) or as a result of restoration of the alliance of old elites but under their leadership.

There is no doubt that an analogous process is occurring in Russia. And again, a statement of this fact is a diagnosis and not an insult. And, correspondingly, even at the diplomatic level to expect observance of the myths of "a new historic community—the Russian people," "unity of the party (elite)," and "unity of the party (elite) and the people" is somewhat naive and unproductive. As I had occasion to express it in an interview with one television company regarding the scandal over the article "The New Russian Regime," it would be hard to assume that the Americans are confident that in Russia we love differently than they do in the United States. Moreover, as though recognizing the fact that from now on in Moscow children will not be found under cabbage leaves but will be produced in the natural way with sex, there is recognition of the so-called "civilized nature" of the political process in our country, or, more precisely, how natural it is.

And the search for a new elite solidarity (through Russia Is Our Home, RIB [expansion not indicated], or Shumeyko's New Deal) is undoubtedly not only a struggle for retaining power (the selfish goal) but also an involuntary struggle for preservation of the country and society (an ancillary altruistic goal). It is another matter that while the first goal may be achieved through usurpation of power (but not for long), the latter can only come through democratization (when the "elites" are sated, and the sheep are intact).

And the last thing. What does this have to do with the United States? I know that we have again become engaged in a big romance with this country, but remarriages are rare. Is it really not clear that now the United States will be the one to suffer more and more from the collapse of the USSR? For it is possible to be a superpower in tandem with another superpower, but to be the only superpower left is dangerous and

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tragic. For the end is near. It is impossible to bear the burden of world dominance alone. The world will not collapse, but the single superpower will under its weight. Pragmatic to the point of near-sightedness, the Americans do not understand this yet (although this is certainly not true of all of them). Russia's geopolitical task is to prevent the United States from creating for itself another Siamese twin out of, say, China, and it is certainly not to gain from Washington external loyalty for the domestic political struggle in our country. We will not achieve it anyway, and the goal is trivial. Let the burden of victory in the Cold War be born by the winner, and the loser must think not about tokens of love from its former spouse but about searching for new allies in life. A bouquet of lilies of the valley from the state deputy on the eve of the elections is good, but it would be better to have even a bouquet of daisies from ou. own voters. And they will not take anybody as he is. If you improve, that is a different matter. Millions of Russian voters have not read Mr. Graham's article, but instead of the words "elites" and "clans" they use much stronger and purely Russian expressions. On 17 December they will be guided not by the refutations of the U.S. State Department but by something else. What? You elites decide that among yourselves. And the State Department will have no choice than to praise a correct solution. If it is correct. Not for the United States. But for Russia.

Article Implies U.S. Shifting Away From Yeltsin

MM1112150495 Internet (GreenNet) gn:labr:cis in English 7 Dec 95

[Article by Renfrey Clarke, "written 10:38 pm": "U.S. Dumps Yeltsin, Upholds Russian Capitalism"]

[FBIS Transcribed Text] Moscow — Three weeks before the Russian parliamentary elections due for December 17, the U.S. State Department moved deliberately to distance the Clinton administration from the regime of Russian President Boris Yeltsin. This shift was signalled by a bluntly critical article, written by a senior U.S. diplomat and published in a Moscow newspaper on November 23.

The decision by the U.S. government to opt for a cooler and more reserved relationship with its Russian counterpart reflects an understanding in Washington that the survival in power of Yeltsin and Prime Minister Viktor Chernomyrdin is not critical to the consolidating of capitalism in Russia. The U.S. foreign policy chiefs also saw that the nature and practices of the Yeltsin regime threatened to embarrass any Western government too closely identified with it. Finally, senior State Department officials gauged that the chances of Yeltsin and Chernomyrdin keeping their hold on power after the Russian presidential elections in June next year were remote; the U.S. had nothing to gain from continuing to give conspicuous backing to near-certain losers.

The full-page article published on November 23 by "NEZAVISIMAYA GAZETA" was entitled "The New Russian Regime", and was attributed to Thomas Graham, first secretary and head of the political section of the U.S. Embassy in Moscow. Graham depicted present-day Russia as an "oligarchy" in which political and economic power was held by a series of "clans", remote from the population, indifferent to democracy and reform, and motivated by great-power chauvinism.

Accompanying the article was a statement that the views expressed were those of the author, and not necessarily of the U.S. government. This disclaimer was later repeated to journalists by U.S. embassy spokespeople. But the embassy staff cannot have expected their disavowals to be taken seriously.

For a diplomat to comment publicly on the current political life of the country in which he or she is serving is unusual; for these comments to include characterisations as wounding as those in Graham's article is almost unheard of, a grave breach of etiquette virtually guaranteeing a diplomatic scandal and removal of the employee concerned. Nevertheless, Graham still has his job, and there is no suggestion that he has been disciplined. According to the English-language "MOSCOW TIMES," the controversial article was sent to "NEZAVISIMAYA GAZETA" via the U.S.-funded Moscow Carnegie Centre with Graham's knowledge and consent, after being cleared with the State Department.

If Graham's motives had been purely scholarly, his article might have been expected to appear in English in an academic journal aimed at Western political scientists. Instead, it appeared in Russian in the favourite newspaper of the Moscow intelligentsia—precisely where it could have been expected to make most impact as a signal of changed US orientations. In short, Graham's article was the centrepiece of a conscious move by the U.S. to notify the Yeltsin regime that it should not expect the indulgence from Washington that it had received in the past. The article's none-too-polite language was clearly aimed at impressing on Russian officials that their country was not a top-ranking player in world affairs, and should not presume to oppose U.S. initiatives.

The Russians were predictably incensed. On November 24 the Russian Foreign Ministry lodged a formal protest with the U.S. Embassy. "If such an article had been written by a journalist, or an analyst, then there would not be any problem," a Foreign Ministry official told the "MOSCOW TIMES." "But when an official of a foreign government says such things, and during an election

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campaign, then it is a completely different matter." Dependent on U.S. goodwill in order to obtain much-needed foreign loans, however, the Russians could not risk concrete acts of retaliation.

Graham's article is not especially original; most of the points it makes have for years been accepted wisdom among Russian political scholars. Nevertheless, the article provides an unusually clear indication of the content of the classified analyses which the U.S. government has received from its embassy staffers in Moscow over the past few years. The picture of Russian politics and society which the Clinton administration has received from its expert sources, the article suggests, has been strikingly different from the version which administration spokespeople have foisted on the rest of the U.S. population.

One of Graham's seminal points is that Russian politics is not centred on a bipolar struggle between mutually exclusive elites, "for example, between reformers and hardliners, Westernisers and nationalists". Nor, he makes clear, are Yeltsin's key supporters committed to democracy or free-market "reform". So far as the State Department's Russia specialists are concerned, we have to conclude, the conventional picture of Russian politics as a battle between "Communist-nationalist hard-liners" and democratic reformers headed by Yeltsin has long been a myth.

Graham presents a picture of Russian society in which a new elite (composed very largely of second and third-level members of the old Soviet nomenklatura) is striving to consolidate and legitimise itself. Aside from bringing order to state finances, the key goals of this elite are said to include subduing separatist tendencies (the war in Chechnya springs to mind) and rationalising the central institutions of state power.

To sum up the ethos inspiring the elite, Graham employs the Russian term "derzhavnost," which he explains as "the call for creating a strong, paternalist and within reasonable bounds, expansionist state". In the area of foreign policy, the operation of this concept has been reflected in united elite support for a "growing harshness" in the pursuit of "national interests". "Derzhavnost" may not strike much of a chord with the general population, but this is seen as less important than its potential as a unifying principle for the new ruling stratum. Graham observes that "the new elite sees its power as based not on popular support, but on its control over political institutions and the economy."

Though united by fundamental common interests, the new Russian elite is at the same time split into numerous often antagonistic factions. The major groupings here are described by Graham as "clans". These are centred on prominent political figures; are linked to powerful financial, commercial and industrial structures; enjoy access to the mass media; and have control over armed formations, either state or private.

The most important of these clans, in Graham's view, are the "oil and gas clan" headed by Prime Minister Chernomyrdin; the "Moscow group" based on the wealth of the Russian capital and led by Moscow Mayor Yuriy Luzhkov; and the "Korzhakov-Barsukov-Soskovets group". This latter faction, which straddles the presidential apparatus and the government, is based on the power of Yeltsin's highly influential security chief; of the director of the revamped KGB; and of the first deputy prime minister.

Despite the frictions between the clans, these groupings are seen by Graham as remarkably uniform politically. None of them seeks a return to a Soviet-style command economy, but all want to strengthen their control over property in their areas of special interest. The clans, this implies, are often at odds with the free-market "reform" dogmas of regime ideologues.

The political compulsions of the clans are seen as centralising and authoritarian. The leaders of these formations "declare the need to 'impose order' and achieve stability"; in the conditions of Russia, Graham warns, this "will lead inevitably to restrictions on democratic freedoms". Logically enough, the clans are seen as containing "very few convinced supporters of democracy", and none of these groupings is committed to democratic ideals.

It follows that the clans, like the new Russian elite as a whole, have little wish to mediate their power through representative institutions. Nor has Yeltsin forced them to do so; under the constitution of December 1993, Graham points out, the Russian parliament has lost the functions of a key institution of power. Consequently, the coming elections to the parliament do not pose a serious threat to the elite. Even if Communists and extreme nationalists were to gain a two-thirds majority, Graham observes, the parliament "could do little to gain access to the real levers of power". With the Russian masses politically passive, the implication is that there is no significant threat in sight to the further consolidation of the new power system.

As outlined so far, Graham's analysis of present-day Russian society is revealing and broadly correct. But in other respects, his article is quite disingenuous.

Graham insists, for example, that the new regime in Russia arose only after September-October 1993. This, readers will recall, was when Yeltsin overthrew the constitution, suspended the Constitutional Court, and

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illegally disbanded the parliament, finally sending in tanks to blow out the last flames of resistance. But the time-frame Graham proposes here is absurd. By October 1993 the Soviet Union and the Communist Party had effectively been dissolved for more than two years. "Reform" had been under way since the beginning of the previous year, privatisation for more than twelve months. The gas and fuel clan and the "Moscow group," at least, were already powerfully consolidated. The new elite had long since taken on its essential shape, and was much too strong for forces outside it to resist—as Yeltsin's relatively easy victory demonstrated.

The reasons for Graham's strange periodisation start to emerge if we recall that the Clinton Administration enthusiastically supported Yeltsin's coup of 1993, billing it as a fight to the death between democratic reform and a supposed hard-line Communist revolt. There is no reason to suppose that the analysts in the U.S. Embassy and the State Department were unaware of the real situation. But the U.S. authorities are not anxious to admit that two years ago they championed the same oligarchic, anti-democratic regime from which they are now self-righteously dissociating themselves.

Of the other disingenuities in Graham's article, perhaps the most striking is his refusal to identify the new Russian elite for what it is—a capitalist ruling class, identical in its essentials to other ruling classes throughout the peripheral capitalist world. Instead, we are served up a lament about the absence from Russian society of "a new middle class of property-owners," and about the failure of the wealthy "New Russians" to develop "the mentality of a middle class as understood in the West."

In present-day capitalism, corporate property is not owned and controlled to a significant degree by the middle class—now heavily squeezed and tending to shrink even in the richest societies. Those who own and control meaningful amounts of capital are a tiny class of the super-rich. These people are isolated from the population and generally scornful of democracy. They are grouped in oligarchic clans that combine political power with financial-industrial wealth, that control the mass media, and that can if they choose use armed violence to achieve their ends. This is the situation in Colombia, Nigeria, Indonesia—and Russia.

While leading figures in the US were promising that the "victory over Communism" would bring Russians human rights, representative rule, and free-market prosperity, Yeltsin was bringing his compatriots mafia terror, economic collapse, "inevitable restrictions on democratic freedoms", and the exercise of broad power from the presidential ante-rooms by the odious General Korzhakov. Now the stench is rising, and the U.S. government has moved to bid Yeltsin goodbye. But this decision has been taken only because U.S. leaders are convinced that the system which Bush and Clinton joined with Yeltsin to help install in Russia now has a secure existence independent of the current Russian president, and will survive his departure.

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Political Issues

Chernomyrdin Interviewed on Crime, Chechnya, NDR

LD1012123595 Moscow Mayak Radio Network in Russian 0735 GMT 10 Dec 95

[Interview with Prime Minister Viktor Stepanovich Chernomyrdin by Mayak observer Yuliy Semenov; place and date not given — live or recorded]

[FBIS Translated Text] [Semenov] Viktor Stepanovich, a few days ago it was three years since you became prime minister. We on Mayak congratulate you, although you probably have not been very pleased about it. Can I ask you a question like this immediately: When was it harder, when you started or at the present time?

[Chernomyrdin] As far as being pleased is concerned, I have to start by saying that I feel as though I have been working all my life. It seems to me ages ago that I worked as factory director, as a minister, a head of industry; all that is now just memories. That is the first thing.

Second, when was it harder, when was it easier? Well, you know, when I started it was not easy, especially since it was unexpected. It was not in my plans at all. The president asked me to sort things out in the energy complex, [words indistinct]. Otherwise I would never have done that in my life.

You remember how they drove me out of the state dacha when I was a minister. (?I did not need that demotion either?) This is why it was not easy for me, even at the beginning. But the difficulties were then different. One had to sort them out. The present difficulties are quite different ones altogether. God forbid that anyone ever has to face again many of the difficulties that we have already got over — extraordinary difficulties to restrain the country, to hold onto the economy, no matter what the circumstances to put the economy back on the road to health today. In general, it is working. In general, I think the government should never have it too easy.

And I would also say: God forbid that any leader, especially the leader of a government, should be pleased with his performance. In such a case, it either means the end of him or that he does not understand what he has to do.

[Semenov] Our electorate is virtually flooded with words. All candidates to the Duma are trying to outdo each other in giving promises. You, on the contrary, claim that you give only realistic promises and you are prepared to answer for your words. How can you prove this?

[Chernomyrdin] At present, there are two attitudes: first, to give promises, and second, to criticize the government. Who else can they criticize? I heard one person say today: What else can I do to show myself off? Otherwise, how will they recognize me? [laughs] It is not that easy. A leader wears a three-piece suit [words indistinct] Everyone does it. It's true: you do nothing, so how will they recognize you? You say no-one knows you, so you come to power — God forbid — then they will know you. What next? What are you going to do?

Therefore, I can say just one thing — how I see it, how I assess it. I am always being pushed, even by my colleagues, even by some of the closest ones: Viktor Stepanovich, why don't you promise something? Everyone gives promises in every country; that is what an election campaign is about, after all. Well, suppose I say that wages are to be increased from the new year, that taxes are to be reduced, or that pensions are to be increased? They may believe me, I think they will believe me. But it is impossible to do this. Not in full, anyway. We will increase pensions and wages. But this will be within the limits of the budget we have, the budget which has finally been adopted — that was a nice surprise for me.

Do you see what I mean? We will indeed be doing this. But to give a promise and to break it is out of the question for me. I cannot do this. That would be deception. That is how I see it.

I can say more. It does not matter who is there — Chernomyrdin or no Chernomyrdin — this should not be done. It is impossible to do this. OK, in principle everything is possible. We could start printing money, distribute it, and increasing wages. But then everything would be quickly swept off the shelves again. And again, pensioners and those on low wages would be hardest hit — and teachers and doctors, too. Why humiliate people? I cannot do that.

Therefore I say: I am overstraining myself, but I keep my promises. And little by little we will increase wages. This year at last we have an opportunity. The economy has started working as it never worked in those four years. We have paid our debts to pensioners and the military. The federal budget settled accounts with public sector organizations, teachers, and doctors. Delays are now being caused only by local administrations. The federal budget has settled accounts with miners for the first time.

I cannot imagine making a promise and not carrying it out.

[Semenov] Now a question about the voters. Your bloc and each electoral bloc has its own strategy, its own

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calculations of one sort or another. And each electoral bloc is reckoning on some stratum of the electorate. Which categories of voters are you counting on first and foremost?

[Chernomyrdin] I am reckoning on all serious people of common sense and understanding. I think most people are like this. I do not think people are that confused. Many candidates are well known individuals, recognizable individuals. Some of them have already been members of the government, several times at that, and for some reason did not achieve anything. Some of them took part in the disintegration of a great country, our union. And yet, look what they are saying today. I do not think everyone has forgotten about them that quickly. I do not think so.

[Semenov] In political discussions many see a reflection of an overt or covert struggle for property. An example of this is the passions surrounding privatization at the present stage. In your view, how should one turn this process into a normal one?

[Chernomyrdin] To put it in a couple of words, things need to cool down a bit. It cannot be denied that mistakes have been made. There is no point in hiding that or trying to get away from it. Yes, mistakes were made. Yes, they were things that were not achieved. They could not be achieved. How could it be done, when no one had ever done it before — the very principle, the very approach that privatization is needed, that in the end there should be an owner, that there should be a proprietor, that the owner will always do things better. [as heard]

You see, we are pursuing a path that has justified itself in the world, but we are doing it in Russian conditions. We cannot copy others, we do not wish to copy others, and we will not do so. It is impossible to copy either America, or Japan, or Germany, or France. It is impossible because we are Russia. We are Russians; we are even different in nature from other people. We are good natured. We are people who like to act as a community. We will stand by one another, no matter what the cost. We can give our very last for you. That is what we are like; others will not do that.

It becomes all the more vexing when people who act in this manner live in poverty as well. Moreover, they have everything at their disposal. Therefore, we are creating the conditions for doing things, and that means, primarily, market conditions for Russia. It is not easy to do this naturally, even by means of privatization. Therefore, I say to you, let us cool down a bit.

Do we have a plan to meet or what? Why are we in such a rush? For the time being we have dropped some defense enterprises and aviation factories, not from the privatization program as such, but we have exempted them from tax and left them alone at present. When the time comes, we will do it calmly and then continue. [as heard]

Incidentally, in Germany — West Germany I mean, I am talking about former West Germany — they still have not privatized the railways or Lufthansa, and they have never had socialism, they have never tried to build communism, and they are still doing quite well. Here in Russia we have always had and we will continue to have state ownership. Many of our industries will continue to have an official, or state, status. Some people are trying to accuse us, the government, and are saying that Chernomyrdin does not want this. Nothing of the kind! I am perfectly aware of the fact that Russia cannot do without state ownership. And we will continue in this way.

On the other hand, I am not in favor of having everything in state ownership or as common property. For me common means no-one's and nobody's. I cannot accept this either.

[Semenov] Viktor Stepanovich, some of your political opponents accuse you personally of favoring the oil and gas complex where you come from. Is there an element of favoritism? At the same time, could I ask you another question: some publications — in particular, a publication by an American diplomat has made a lot of noise — say that there are industrial clans in Russian policy and that it is they that are starting trouble?

[Chernomyrdin] I will start with the second question, with this American smartass [umnik]. The Americans would like it very much if we were to do a lot of stupid things in our basic industries. And there are even more supporting voices inside Russia. One thing I can say in my justification is that I probably understand a bit more than they do about all this business, including the energy complex. And I think, irrespective of anything, that this is the very foundation of everything. If, God forbid, the fuel and energy complex were to start breaking down, everything else would break down just like that. One could do nothing about this, whether or not it is based on a market system, or whether it is private, held as a joint-stock business, or belongs to the state. This must not be allowed. And I am doing everything I can not to let this happen.

To say that I am creating special conditions for some industries is nonsense. Even my dear Gazprom is facing the most difficult conditions at present. Power engineering and transportation, in other words the main basic industries, are all facing a most difficult situation.

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In other words, the basic sectors of industry — because they are the base. They were conceived as such. Structurally they were created that way. Their structure was set up that way. We set them up differently from the United States, say. Power engineering in the United States is no worse than in our country, it has to be said. We have never caught up with the standard of power engineering in the United States. Eighty percent of it is in private hands. Just imagine, hydroelectric power stations are privately owned. Can you imagine such a thing here, with the system we have? The [U.S.] state only regulates a single issue, the most important one. It will crack down hard if electricity is exported from the United States without the knowledge of the state. Inside the country it does not allow anybody to leave any region without power supplies. Those are the two main factors for which the state is responsible, and which it controls.

Therefore, I say yet again that I sympathize very greatly with the plight, first and foremost, of the basic sectors. God forbid that we act stupidly in this area. For the fourth quarter it was decided to raise prices of gas, electricity, and railway fares. A decision on this has been adopted. But we gave the following warning to heads of administration. Just make sure — if anybody acts like a hooligan, just watch out. You could be dismissed. Just watch what we do. The Krasnodar administration decided to raise consumer prices for gas from R [rubles] 20 to R80 per cubic meter. I can imagine the feelings of an old age pensioner who receives — I have received a letter about this. It says: My pension is R176,000 and I now have to pay roughly R70,000 for gas heating. That is from — I have got the name here — Mr. Mashkin who lives in the town of Gulkevichiy, Krasnodar Territory. We have had similar letters from Stavropolye, Krasnodar, and Kabardino-Balkaria, as well as Voronezh, Ivanovo, Lipetsk, Nizhniy Novgorod, Penza, Pskov, Rostov, and Saratov Regions.

Mashkin's letter continues: The governor has tripled the price of gas. Evidently the only reason for this was to make sure that nobody votes for Russia is our Home.

Mr. (Felistov) writes to me from Rostov Region and comments on the actions of the local administration, which has decided to double gas prices. This is a fresh booby-trap — a fast-acting one, designed to discredit the government and the Russia is our Home election bloc, which [words indistinct]. I remind you: [words indistinct] Chernomyrdin. Gazprom does not have direct links with consumers. It operates through the regional gas authorities, the territorial gas authorities.

[Semenov] They are the ones who are hiking gas prices.

[Chernomyrdin] What can we do? This is specially intended to humiliate Chernomyrdin or severely discredit him. All the more so since Chernomyrdin is associated with gas. However, I say yet again, we adopted a decision — and it was not an easy decision — to freeze fuel prices and railway fares.

Do these people not have a conscience? I am just telling you now...[pauses] I have just spoken to someone on the telephone. He said that cannot be true, he will sort it out, he does not even know anything about it. You understand what is going on. It is true — many people have told me, and I did not believe it at first, in the first 10 days. They asked me, Viktor Stepanovich, look what they are doing. The local [bosses] have been involved in a swindle. Try and tell people about it, but they thought Chernomyrdin was to blame. Especially when we were talking about gas, it is very difficult not to mention Chernomyrdin. This is all the more so since I have quite a good understanding of it and know all about it. Why would I consciously allow something stupid to happen?

[Semenov] Some oil and gas enterprises and companies have turned out to be on the lists of major nonpayers of tax.

[Chernomyrdin] True, that is true. This is why I say that they have turned out to be in the most difficult situation, because they are not being paid. This is a matter of principle in our country. No one dares to switch off the electricity, no one switches it off, so one does not need to pay for it. They are not turning it off. This is why they have turned out to be in a difficult situation, they are not being paid. So, what can they pay the taxes with. That is the biggest and most difficult issue for the government. We should work out a mechanism to ensure that they are paid. Naturally, if they are paid, taxes will be paid.

[Semenov] Do we have clans for all that?

[Chernomyrdin] Clans?

[Semenov] Yes. Oil and gas, defense industry, agrarian?

[Chernomyrdin] I would say that from a good point of view there are. They pledge to look after one another. The oilmen are to take into account the defense industry workers. They are to help one another.

[Semenov] This is not a political indicator, is it?

[Chernomyrdin] No, under no circumstances. I absolutely rule it out. At least, for me it is not. I think that is all part of the election campaign. All that will pass, and you yourself will be able to assess things.

[Semenov] Now, if you can, a few words about Chechnya. The start of the political settlement in Chechnya is linked with your name, but, of late, this has meant a

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certain interval. What to do you think the continuation of this process will be like?

[Chernomyrdin] The interval is connected with the fact that someone there has created it artificially or is creating it. The fact is that it is not very easy and not very simple to bring to an end swiftly the process, the peace process, which we started. It is easy to start a war, but not so easy to end it. First and foremost, this interval is connected with the fact that something is always being placed in the way. This is what the difficulty is. They do not want it. They have forgotten overnight that, during the military operations, hundreds of people, our lads, died every day. I will not say at the moment that we have done everything. There probably is something more to do.

At least, we have not stopped the process of restoration in Chechnya. We are doing absolutely everything for the negotiating process in Chechnya not to stop. We are taking all possible measures against the situation turning into an act of revenge and against combat operations renewing there. This should not be allowed, i.e. Chechnya is part of Russia and the people of Russia are living there. We are going to hold elections there because elections are needed. This is a step forward. Yes, I realize that in the circumstances it will be difficult to hold the elections. People are being intimidated. But we must go ahead. This is a step forward. Therefore we, the leaders and the government — and I know that the president is giving a lot of attention to this issue — we are doing everything possible to settle the situation by peaceful means there.

Unfortunately, look what they are doing there, these recent explosions. They are doing everything to provoke us to renew military operations. This will not happen. We will not do that.

[Semenov] You have already said this yourself, and you will probably agree with me that human life has lost all its value at present, to an appalling degree. At some places prices are given in rubles, at others in dollars; to pursue their interests, they will spare no one; look at the recent tragedy in Vladikavkaz where a scoundrel killed children. We have a new minister and a new procurator general. There is a program for combating crime, lots of documents. But people are asking: When will the authorities stop making declarations of intentions and get down to business? Is there going to be an end to it?

[Chernomyrdin] It goes without saying, there are no excuses here. I personally do not like to talk much, to waffle — it is death for me. Recently we discussed the program for combating crime presented by the ministry — we failed to approve it. It cannot be adopted. And against the background of the current situation we cannot adopt measures just for measures' sake, as they say. This should not be allowed. There should be serious measures for combating crime.

The nature of crime in Russia has significantly changed. It is not what it used to be in the past. Criminals have changed. You yourself have just said that they will not stop even at killing children.

Therefore, the methods and the measures should be appropriate to what is happening. Unfortunately, this is not the case. There must be well-thought-out and serious measures. And the new minister, Anatoliy Sergeyevich Kulikov, is aware of the problem. I regard this problem as problem number one. Society cannot constantly live in such a state. Therefore, appropriate measures must be taken. We will report to the president. Parliament, too, will be involved in resolving this.

How are you going to fight when there is no Criminal Code today? Take 20 people like Kulikov or 20 people like Chernomyrdin, for example. Still, there is no Criminal Code in the country. How can this be? We should all come to understand that we must deal with this problem together. Only then we will make some progress. I hope that the State Duma of the new composition will begin its work by introducing some radical and decisive measures here.

[Semenov] Well, our conversation is coming to an end. If you have no objections, let us look at our immediate future. A situation may arise after the elections that will call for the formation of a coalition government. I mean, some kind of political developments may take place. Will the Russia is our Home movement agree to such a coalition with any forces it may consider appropriate to unite with? And another point. If such a situation develops, will you agree in principle to head a government formed on the basis of a coalition?

[Chernomyrdin] First, I would like to peak for myself. I am in favor of a government that consists of professionals, because a government is not a political body [sentence as received]. It is neither a party nor the Central Committee of the CPSU, nor the Central Committee of some other sort — though I personally doubt that we will live to see the return of things like that. It is vital that a government should consist of professionals, people who were professionally trained. I can tell you right now that the government of Chernomyrdin does not consist entirely of members of the Russia Is Our Home movement. Not at all. My deputy prime minister and one of the ministers belong to the Agrarian Party of Russia. Shakhray is from the Party of Russian Unity and Accord, and I also have members of the Russia's [Democratic] Choice as my ministers. It is not homogenous already now. As for the future, I repeat: I

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am for professionals, for thinking people, and the main thing, for people who can actually do this most important work. I can tell you and our listeners that I know many factions and their leaders quite well. I have often asked some of the most ardent critics of the government among them: So you do not think that we are doing the right thing. They said: yes. This means that you know what should be done? Come and tell me then. I conveyed this to Yavlinskiy and many others. If you know what should be done, why are you waiting for the time when you come to power? Are you against your own people and your country? Come and talk to me. I will always find time for you. Oh, no, not a single one of them. They say when we come to power we will do what we think should be done. Can you believe that they will come to power and actually do it? Of course, not. Three years ago Chernomyrdin was completely different from what he is like today. I started from scratch. I did not start as an instructor or the head of a laboratory. No, but I have managed to do things in my life.

Today I am assessing my three-year activities. I am talking about myself, not about someone else. I am not the Chernomyrdin of December 1992. Therefore, those who say: We will come tomorrow and raise wages and grants, and will go further — this is rubbish, another trick and deception. It is not advisable to rock Russia again. We must not stop [the processes]. We must correct mistakes, but through progressing. The processes must not stop, I am convinced. Personally, I am prepared to work with any business-like, professionally trained people. I believe the government should be like that in any case.

[Semenov] Finally, here is a personal question, maybe not a very serious one. Suppose the elections are over. If the Russia Is Our Home bloc is successful to some extent, that will be your personal success, how will you — you personally, Viktor Stepanovich — celebrate it? In line with national traditions, or somehow else? And in case of failure — how will you console yourself?

[Chernomyrdin, laughing] I am not preparing myself for either scenario, because life is difficult now. I would like people to understand what we are doing and what we want to do, so that people make the right choice. Success or failure? Well, I have seen so much in my life and been through such a lot, that I think I will be able to restrain my emotions in both cases.

[Semenov] At least you will catch up on lost sleep.

[Chernomyrdin, laughing] Thank you very much for a good conversation. I wish all the listeners patience and health. Everyone in Russia is tired. The country will never be on her knees, although many wish that. But that will not happen, I am convinced. We have everything to ensure that every family is well-off. And we must do everything — and we will do everything to make life easier for our people, while I am still here — I speak for myself now. We will do everything so that our people have a decent income. This will come.

[Semenov] Thank you. I wish you health, luck, and success.

Fedorov: Russia Financing 'U.S. Public Debt'

BR1112140295 Milan CORRIERE DELLA SERA in Italian 10 Dec 95 p 7

[Interview with "Forward, Russia!" leader Boris Fedorov by Fabrizio Dragosei in Moscow; date not given: "'Forward, Russia!' Will Work the Miracle"]

[FBIS Translated Excerpt] [introductory passage omitted] Boris Fedorov, now 37, is undoubtedly one of the young lions of the new Russia, highly qualified, aggressive, and just sufficiently anticonformist to obtain the requisite backing. After working with them for years, he has broken with the more liberal reformists, such as former Prime Minister Gaydar, and formed his own party, "Forward, Russia!"; he now takes a conservative stance. But is he still in the democratic area?

[Fedorov] The black and white categories valid in the early 'nineties, with the communists on one side and the democrats on the other, are no longer applicable in Russia. The situation is different nowadays. Gaydar is adopting a position that would be the Democrats' line in America. We are Republicans. There are people, like former Vice President Rutskoy, for example, who are anticommunist like me. Gaydar says Russia invaded Chechnya; that is not so at all. The dividing line between the political forces has changed now.

[Dragosei] With whom are you thinking of forming an alliance after the election?

[Fedorov] We can negotiate after the election. I think a broad coalition will be needed to govern the country, not just the so-called strictly democratic parties, because they would not get along together and they would not have a large enough majority in parliament. No, what I have in mind is a broad coalition made up of 10 to 12 parties, including some that will not make it over the 5-percent threshold but will, nevertheless, have a few deputies in the Duma. I also have Women of Russia, My Fatherland, the Economic Freedom Party, and the National Republican Party of Russia, plus Yavlinskiy and Gaydar, in mind.

[Dragosei] A motley crew.

[Fedorov] Let us say all the moderate forces, which means excluding only Zyuganov's Communists, Zhiri-

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novskiy's Liberal Democrats, and a few others. The government could be led by a competent administrator, such as Moscow Mayor Luzhkov, or Rossel, or Nemtzov, for instance. The other parties would have government posts in proportion to their size. This would really make it possible to set the country's recovery in motion.

[Dragosei] Has progress already been made at the economic level?

[Fedorov] I see that inflation is at 5 percent, but monthly, not annually. Sure, industrial production is not falling any further, but that is because it has already reached rock bottom. However, I see no real recovery. We are stuck in midstream: We are not sliding backwards, but we are making no headway either. The government is not doing enough.

[Dragosei] What about the privatization of state-owned corporations?

[Fedorov] The truth of the matter is that they are trying to sell public property worth billions of dollars off for a song before the election.

[Dragosei] To whom?

[Fedorov] To friends of theirs who, what is more, are paying with money borrowed from the state. Even foreign investments, the joint ventures, are often a front. Billions of dollars left Russia and are now coming back disguised as foreign capital, and being used to create fake joint ventures. The money coming in may be serving to finance Prime Minister Chernomyrdin's party, but I have no evidence to prove it. Political instability has resulted in there being an abnormal quantity of foreign currency in circulation in the country. There is about $25 billion in cash in Russia at the moment. This means that we are the main financers of the U.S. public debt, and without pocketing any interest. We are financing the United States Treasury at zero interest, but we cannot afford it.

[Dragosei] And what should the government do?

[Fedorov] Guarantee normal economic development, cut unnecessary spending and corruption. Capital would then come back in via the normal channels, and there would be a real economic boom within a year. There is room for lots and lots of new businesses in Russia. Of course, we would need 15-20 million new businesses to reach Italy's level, but that is unrealistic. Be that as it may, from 3 to 5 million could be set up within a short time.

[Dragosei] Do you not think that Chernomyrdin can do all this?

[Fedorov] No, he will not. Of course, he is better than Zyuganov, than Skokov, and many more as well. He is probably better than Gaydar, as he is more practical and has better administrative skills. But the problem is that the prime minister does not know what economic policy he is implementing; he has no target, and he takes each day as it comes.

[Dragosei] What about Yeltsin?

[Fedorov] It is early yet to regard him as a has-been, and that does not strike me as a bad thing. Given our current political situation, there are a lot of people who strike me as considerably more dangerous and alarming than Yeltsin, all his errors notwithstanding.

IZVESTIYA Views Problem of Tax Arrears to Budget

MM1212095095 Moscow IZVESTIYA in Russian 8 Dec 95 pp 1,2

[Report by Irina Savvateyeva and Andrey Rumyantsev: "You Can Have a Great Time in Monte Carlo at the State's Expense. Can the State Get What Is Owed to It?"]

[FBIS Translated Text] You can find some absolute marvels by rummaging in the accounts of an enterprise that is a chronic nonpayer into the budget. Sanatoriums in Yalta, tens of billions donated to a U.S. debtor, exotic seminars in Monte Carlo....

Another extremely interesting fact has come to light in the course of the fight against budget arrears: The debts of the Russian "Gazprom" Joint-Stock Company and all its daughter companies to the federal and local budgets total 8.4 trillion rubles [R]. Plus R700 billion to nonbudget funds. Plus R900 billion to the Social Security Fund.

Certainly, in this case, we cannot ignore the problem of debts to "Gazprom" itself and the figures here are also impressive. The total amount owed to the joint-stock company by its debtors is equivalent to five years' financial activity by "Gazprom." The magnitude of the amounts indicates that the problem of nonpayments — primarily nonpayments to the budget — has long since ceased to be a purely economic matter. Today the ability to combat budget arrears is a kind of trial of strength for Russian statehood.

How far has the state progressed in its efforts to retrieve unpaid taxes for the budget?

Remember that taxpaying enterprises' total debts to the federal budget alone were R28 trillion on 1 August this year. And 64 major debtor enterprises accounted for nearly one-half of all the arrears — R13 trillion.

Agreements on paying off the arrears before the end of this year have been signed with several enterprises. The

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"Nizhnevartovskneftegaz" Open-Type Joint-Stock Company has promised the budget R750 billion, R282 billion of which has already been paid. The "Purneftegaz" OAO [expansion unknown] will transfer R163.7 billion before the end of the year. The "Irkutskenergo" Joint-Stock Company will pay R611 billion. The Komineft Open-Type Joint-Stock Company and its daughter enterprise "KomiTEK" have pledged to pay R986 billion and R273 billion respectively into the exchequer. This makes a total of around R2.8 trillion.

Budget debts have also been recouped in the course of monetary privatization: One condition of the purchase of state-owned blocks of shares under the shares-for-loans scheme is the purchaser's payment of all enterprise debts to the budget. For instance, the "Surgutneftegaz" pension fund, on buying up the state-owned block of shares in the joint-stock company of the same name, transferred R1.26 trillion to the budget.

For all that, nonpayments to the federal budget amounted to R30.1 trillion on 1 November this year: Old arrears get paid off and new ones accumulate, and on top of that you get the effect of inflation.

Life shows that the problem of budget arrears cannot be solved at a stroke. "Indeed this is not the aim," Mstislav Afanasyev, executive secretary of the Russian Federation Government operational commission to improve the payments and settlements system, stated. "The struggle that is being waged against arrears is the start of complex and systematic work which should result not only in the replenishment of the budget, but also the creation of a normally functioning financial mechanism for collaboration between the state and enterprises."

The three-month intensive struggle against budget arrears has revealed a mass of faults and defects in this mechanism, and it is utterly unrealistic to expect to eliminate these overnight.

The first thing that comes to mind is the R2.8 trillion dug up for this year's budget — the credit for this goes to the operational commission under A.B. Chubays' direction.

The commission visits an enterprise and just rummages in its accounts. In so doing it produces in full view of a startled public the aforementioned marvels, such as seminars in Monte Carlo, which, logically speaking, are simply incompatible with the status of a sickly and needy budget debtor. But what about the tax inspectorate?

Of course, it should be said that it is operating. In particular, an administration has been set up at the State Tax Service to enforce payment of arrears. But the impression is that it has little in the way of success to report as yet.

Nonetheless, an ordinary tax inspector would never be able to do the work the operational commission is doing today for a number of reasons. First and foremost because he is overworked: The average tax inspector has to deal with 50 enterprises in Russia every month. In Moscow the average is 155. To be able to do a proper inspection a tax inspector must study an enterprise's balance sheet, profit and loss accounts, statement on tax payments, and statement of debtors. Moreover, he will have to examine all the enterprise's bank accounts. For example, "Nizhnevartovskneftegaz" alone (together with daughter companies) was found to have 131 accounts....

After all, it is no secret that the final report of an independent auditor, a top-class expert of the caliber of Petr Karpov, member of the operational commission and deputy general director of the Russian Federation State Committee for the Management of State Property Federal Insolvency Administration, will cost $10,000 on the open market. Obviously, a professional capable of earning that kind of money will either not stay in the tax inspectorate or (and this does not even require a high standard of professionalism) will simply join the payroll of those he inspects. It must be admitted that even in Moscow, in the federal organs of executive power, experts of the caliber of Petr Karpov are few and far between. So even if the authorities wanted to solve the problem of budget arrears at a stroke they would not have the potential.

Incidentally, the aforementioned inspection procedure, the ultimate aim of which is to decide whether an enterprise is capable of settling accounts with the budget, takes a long time. It takes at least a month for a Moscow team of, as a rule, three people from the Tax Inspectorate, Federal Insolvency Administration, and Prosecutor's Office to study an enterprise's financial status. On the conclusion of the inspection the enterprise leadership signs an agreement pledging to pay a particular amount of what is owed over a particular period. But recently directors have tended to sign pledges on the payment of their debts without any inspections: No one is inspired by the operational commission's show of rummaging in enterprises' accounts.

But here is another aspect of the topic: Who and what are the budget nonpayers afraid of? Indeed, they are afraid. Ultimately they are afraid of important government officials. But are they afraid of the law? No way. Because the present law gives the "Nizhnevartovskneftegaz" General Director Mr. Paliy, who owes the budget R1.5 trillion, a great deal of leeway.

In fact, there has been no actual concealment of income from the taxman and there are no grounds for action,

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as it were. When money that was supposed to be paid to the treasury was spent on building a sanatorium in Yalta it was called "caring for the workers." Formally he is right: Under the law as it stands there can be no claims against a sanatorium. But to enable the reader to properly judge how far removed the law is from reality, let us just give some of the details of this sanatorium construction.

A total of more than $20 million was spent on building and refitting the "Pine Grove" sanatorium complex. The money was transferred to the account of the contractor — the "Ramoil Holding Co. Ltd." firm, registered in the Cayman Islands, in an offshore zone. Moreover everything that was needed for recreation on the Crimean coast was acquired.

For instance, for a sanatorium of modest proportions, intended for a few dozen people, they purchased the following: 5,000 "rubber bathing caps," $1.8 apiece; the same number of "paper towels," $1.1 apiece; 20 "sets of fishing gear" (none of the rods cost less than $100). Add to that all manner of reels, hooks, and two kg of weights at $28 per kg (which is several times higher than the price of lead on the exchange).

"Nizhnevartovskneftegaz" spent lavishly on other things as well as "Pine Grove." According to the documents, furniture worth $12,000 was put in the trade union committee office alone. The list of what current legislation is perfectly willing to class as "caring for the workers" is a long one. But the verdict "fictitious insolvency," passed by the Federal Insolvency Administration, is the most the state is allowed to do at the moment. And the most it can afford to do at the moment is to threaten to dismiss Mr. Paliy after the New Year if he fails to pay the debts as promised.

But it is perfectly possible that this kind of patent tax evasion will be seen as a criminal offense. At the end of November the State Duma overrode the Federation Council's veto on its adoption of a new Criminal Code. It should come into effect once it has been signed by the president. This Criminal Code contains two new criminal offenses: "persistent bankruptcy" and "fictitious bankruptcy." The latter norm could be applied to the head of "Nizhnevartovskneftegaz." Then he would face not dismissal after the New Year, but imprisonment and/or a heavy fine.

But it is perfectly clear that the problem of budget arrears boils down not only to legal aspects and the question of improving the tax services' work. We must have specific administrative measures on the part of the state.

To sum up the state's three-month struggle against budget arrears, it can be said that it has had variable success. It may be that 50 percent (around R15 trillion) of the arrears, as projected by the operational commission, will actually be repaid, under strong administrative pressure. Although it has to be said that the imminent elections make the problem considerably more complex. The miners, and they cannot be ignored as a serious political force, are now being given tax exemptions for December. Deputies from the "New Regional Policy" faction are now calling Chubays to account for the "collapse" of the oil industry....

But even if you ignore the significance of the current political situation, it has to be said that the question of budget discipline cannot be resolved by a crash program. Ultimately it is a matter of Russian economic recovery and the formation of Russian statehood.

KRO's Zatulin Answers Questions on Policy

MM1212102795 Moscow KOMSOMOLSKAYA PRAVDA in Russian 7 Dec 95 p 3

[Interview with Konstantin Zatulin, State Duma deputy and one of leaders of Congress of Russian Communities [KRO], conducted as phone-in with KOMSOMOLSKAYA PRAVDA readers by Olga Gerasimenko and Igor Yemeyanov, date and place unspecified: "Konstantin Zatulin: 'I fear no one except my daughter Dasha'; State Duma deputy, one of the leaders of the Congress of Russian Communities convinced all those who called him at KOMSOMOLSKAYA PRAVDA that he believes in himself and in Russia"]

[FBIS Translated Excerpt] [Valentina Nikolayevna] Hello, Konstantin Fedorovich. Valentina Nikolayevna here. I'm a pensioner and a group 2 invalid. This is my question to you. My husband and I have worked our whole lives, scaping together money for our old age, which we deposited in the savings bank. Then Gaydar's reforms swallowed all our savings. What is going to happen to us now.

[Zatulin] I believe that it is necessary to acknowledge that the state has debts to repay to the people. We always used to treat the Savings Bank as an extension of the state and trusted it as if it were the state. So people's savings, which have been plundered by the "reforms," must be indexed and repaid. Back in 1993 I proposed that a special system of repaying money through the Savings Bank be introduced. Money entered in a special account would be able to be spent only on the most pressing needs connected with medical treatment, payment of housing rent, lighting, and telephone rental.

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[Nikolayevna] We were disturbed by the recent edict on compensation to deceived depositors. After all, they were gambling, taking a risk. They had money to spare, whereas we used to put our money aside kopek by kopek....

[Zatulin] The Congress of Russian Communities is opposed to the repeat deception of the deceived depositors. Yes, we promise to find the tricksters even if we have to pursue them to the grave. We will recover their property through the courts and put it up for auction and then distribute the money to those who have been robbed.

But it is immoral to solve the problems of the deceived depositors at the expense of you and me. All the zeroes of the potential dividends will never be transformed into a life preserver. Of course from a Christian and Russian perspective we must help a person a little if, like Hermann in "The Queen of Hearts" he is completely down on his luck. And it is all the more important to realize that the main thief is not even the 'pyramids,' it is not Mavrodi, but our own dear state.

[Nikolayevna] Right.

[Zatulin] All the best to you, look after yourself.

[Kaminskiy] Konstantin Fedorovich, hello. This is Boris Kaminskiy calling. I am a reserve officer. My question is addressed to you as secretary of the Council of Fellow-Countrymen under the State Duma: When are our airmen who are being held prisoner in Qandahar going to be released?

[Zatulin] Especially in order to expedite the solution of the question of what is to happen to them, I broke off all my other work and flew to Iran. I believe that we need to unite with Iran in an attempt to help our people out of their misfortune. Unfortunately our foreign ministry is not starting up direct talks with the Talibs but is attempting to operate through a "general" Afghan Government that is virtually nonexistent.

[Kaminskiy] Something seems to be going wrong in general with our foreign policy. Does the Foreign Ministry ever, even occasionally, consult with you, the deputies?

[Zatulin] No. Moreover, relations between the State Duma and Kozyrev, personally, the minister and deputy, have virtually been broken off. In 1994 he set a record: He attended sittings for a total of 15 minutes. The Duma voted for his dismissal, reasonably believing that Kozyrev is the minister for foreign affairs in Russia rather than the Russian [rossiyskiy] minister of foreign affairs.

[Kaminskiy] I agree with you utterly.

[Sokolova] Good evening Konstantin Fedorovich. This is Svetlana Ilinichna Sokolova from Armavir. I want to ask you which element in your political biography do you take most pride in and what do you consider to be a mistake or blunder.

[Zatulin] A letter from 37 retired admirals, Heroes of the Soviet Union, naval commanders, and builders of the fleet is lying on my desk. I received it after my trip to Sevastopol in Crimea in March, where I addressed a Black Sea Fleet officers' assembly. It was at that very crucial moment when the sensation arose that Russia, at the prompting of Vice Premier Oleg Soskovets, was turning away from Crimea and the Black Sea Fleet. I succeeded somehow in supporting our fellow-countrymen in that difficult situation and by my conduct I showed that Russia had not abandoned them.

The admirals' letter stated that my stance on the Black Sea Fleet had evoked "some satisfaction" among them. I know that it is virtually impossible to move old sea dogs enough for them to come out with an effusive compliment.

As for the incident which seems to be a false move, an error — that was the alliance with Sergey Shakhray in 1993. Then the ruins of the White House were still smoldering and I considered it important for me to support politicians who were striving to resolve the conflict by peaceful means. Shakhray was advocating unity and concord. I participated in the creation of his electoral union and joined the PRES [Party of Russian Unity and Accord] list and became a deputy of the State Duma. Unfortunately it very soon became clear to me that on Sergey Mikhaylovich's part this was all a game at winning influence and a desire to have, in the form of his pocket State Duma faction, a kind of lifejacket for swimming in the muddy waters of government. I patently did not fit into his pocket. I promised people peace and not war, but Shakhray in government, in secret from the deputies, was preparing the Chechnya adventure. Although two-thirds of the PRES deputies followed me in leaving the PRES, I continue to pay a personal political price for my past alliance with Shakhray. I will be more careful in future.

[Sokolova] Where is the guarantee that after the elections the Congress will not fall apart just as happened with the PRES?

Well, you know, it is difficult to find guarantees in a such a volatile matter as politics. As for the KRO, this is an organization which intends to live and struggle for a long time because the frontiers now dividing Russian communities are unfortunately not falling like the walls of Jericho merely from a single groan from us.

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[Mamayeva] Hello This is Galina Vasilyevna Mamayeva speaking from Goryachiy Klyuch.

[Zatulin] Hello Galina Vlasilyevna.

[Mamayeva] You are the leaders of the Congress of Russian Communities in the south of Russia. Don't you think that the nationalist bias the KRO's political reform will moderate any sympathies for the movement that voters of non-Russian nationality may have?

[Zatulin] You can hardly accuse our Congress of nationalist bias. Not only Russians but also Tatars, Chuvash, and Cherkess are heading for the State Duma on our list. But it must be recalled that today 85 percent of the active population in Russia are Russians. The Russian population must be united, raised from its knees, and made to respect itself. Without this there will be no sincere alliance of the peoples of Russia. And if there is no alliance of peoples there will be no Russian statehood either. We believe that the Russian people, having united, as has repeatedly happened, are capable of proposing forms of state structure acceptable to all other peoples inhabiting Russia. We don't like the present national-state structure and we believe that danger lurks within it. But those who are calling today, under conditions of the war in Chechnya, to engage in a repartition, are simply mindless. We need to husband our strength, we need to carry out a calm, cautious, national-state reform, but not before there is an economic upsurge, and not before we have ensured the spiritual rebirth for all the nations and nationalities which live in Russia.

[Galya] Hello, Konstantin Fedorovich. I am a student in a legal faculty and my name is Galya.

[Zatulin] Hello.

[Glaya] I my opinion you are the most charming deputy. What is your attitude toward women.

[Zatulin] Glaya, I must tell you that I treat women, as I do men, on an individual basis. Without certain women I would most likely not lived as long as I have done. Others upset me, although possibly I am to blame for that. But in general terms a woman is a holiday in the life of a real man. My personal holiday is in her tenth year — she is my daughter Dasha. I am rather afraid of her. [passage omitted]

[Kulichenko] Konstantin Fedorovich? Good evening. I'm Viktor Kulichenko, an editor from Apsheron. I am worried about the situation in the Army — it has lost its prestige among the people. How is the situation to be rectified?

[Zatulin] I don't think it's the Army but certain army commanders have lost their prestige both in the eyes of the people and in the eyes of the Army itself. The top leadership of the Armed Forces needs to be sorted out. And a stop should be put to the handing out of the rank of general right, left, and center because the Army is getting smaller and smaller, and yet there are more and more generals. And the most important thing is to withdraw troops from the upland part of Chechnya forthwith.

[Kulichenko] But do you support the idea of reviving the Cossack system?

[Zatulin] I am of Cossack origin myself so the movement toward reviving the Cossack system is close to my heart. When there is a fitting occasion I take pleasure in donning my uniform as a Cossack NCO. Let me however note that it is above all the authorities themselves that want to divide and get rid of the Cossack body bit by bit. Yesterday the Cossack body was acknowledged merely as a form of folklore ensemble. Today, having gotten hold of Chechnya, it has been decided that it is possible to use Cossacks like cannon fodder to plug any gaps in the Armed Forces — you simply rename ordinary armored and airborne divisions as Cossack divisions and there's your problem with the Cossack system resolved. I believe that the rebirth of the Cossack system needs a state approach to resolving three interconnected problems — the special Cossack system of land tenure, the special Cossack (ataman) self-rule and the Cossacks' special conditions of service.

[Samvelovich] Hello, Konstantin Fedorovich. Yuriy Samvelovich here. I am an Armenian but for 25 years now I have been living in Russia, in Krasnodar Kray. How do you intend to resolve the interethnic problem in Russia? Zhirinovskiy, I know, proposes sending people of Caucasian nationality back to their republics....

[Zatulin] First of all, Yuriy Samvelovich, in your person I would like to greet someone from my home region. Please convey to all fellow citizens of Armenian nationality my profound condolences in connection with the seventh anniversary of the tragic earthquake which rocked Armenian and the whole world. I am sure that a friend in need is a friend indeed and the same applies to nations. But for centuries the misfortunes and joys of the Armenian and Russian peoples have been shared. Is there really anything to divide the eternal workers on the land of the Kuban — Russians, Armenians, Adygeans?

And as for Mr. Zhirinovskiy's verbal outpourings, I think after the State Duma elections less attention can be paid to him.

[Loktev] Good evening! Ilya Loktev calling from Volgograd. I want to know whether you trust General Lebed?

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[Zatulin] I saw Lebed in the Dniester region and I see him now in political work. I believe he is an honest, decent officer with enormous self-respect. It is this latter quality that never allows Lebed to humor people, betray people, or to appear ridiculous. Today, merely from a desire to outweigh the sympathies for Lebed who was dismissed the service "for political reasons," a heap of serving generals and admirals have dashed into the political fray. I think this is the reason for the envy which the glorious military leaders from the Defense Ministry feel toward him. I would advise the present presidential team not to fashion a great military leader from a minister who is a bosom friend of the president, and to try to create from the military leader a fine lady who is pleasant in every respect. Nothing will come of it.

[Unnamed caller] Hi there! I'm calling from Krasnodar Kray. What do you think? When will the war in Chechnya end? Won't a military conflict in neighboring Abkhazia start?

[Zatulin] I believe that under the present government the war in Chechnya will not end. The present government has fostered the Dudayev regime but it also unleashed an lackluster military operation against Chechnya. I think that there was a very strong desire to report to the oil consortium that we are prepared to ensure the transportation of Caspian oil, to Novorossiysk and Tuapse along the entire pipeline route. Moreover Chechnya is a fine pretext to provoke at any moment an emergency, to postpone the presidential elections, and to explain to everyone why pay is being delayed and pensions are not being paid....

The KRO believes that the demoralized army should be pulled out of the mountain regions of Chechnya immediately, to clothe and feed them, and restore their morale. Once again the Army has been sent to the slaughter through political intriguing and every day adds to the funereal list of Russia's unknown soldiers. And this mockery of common sense which goes by the name of "the restoration of Chechnya's national economy" should be halted forthwith. They dig a pit and report to their superiors that they have restored a building and then totally anonymous planes and helicopters bomb the foundation trench and the newly "restored" installation is officially written off. More than 5 trillion rubles have been poured into this but there is no end in sight.

I am also disturbed by the impending flare-up in the Georgian-Abkhazian conflict zone. I am afraid that among Shevardnadze's friends in the Russian Federation Government and in the State Duma there are sufficient people who want to bring down on our heads a wave of refugees to Sochi and Krasnodar Kray if not through famine and blockade then by the threat of a new military campaign or by connivance at arming Georgia at Russia's expense. And let no one lie about the "impermeability" of our borders. Today among the mountains and rivers, in an open field they have set up some ornate gates with a big padlock on them and think that no one can bypass these gates from the right or the left.

I am wholeheartedly in favor of peace talks between Georgia and Abkhazia with Russia's decisive mediation. If we are not prepared to respond to Abkhazia's request to be taken back into Russia, then let us at least be friends, trade together, and jointly revive the border lands.

[Unnamed caller] And is it true that you and Moscow Mayor Luzhkov are friends?

[Zatulin] ...And we even play together in the Moscow Government football team.

[Unnamed caller] And so, Moscow's mayor gives you a hard time during the game?

[Zatulin] No, he and I always play on the same side. So usually we give others a good kicking.

Yeltsin Will Work in Newly Renovated Kremlin Building

MM1112150595 Moscow ROSSIYSKAYA GAZETA in Russian 9 Dec 95 p 1

[Report by Aleksandr Nadzharov of RIA NOVOSTI "specially for ROSSIYSKAYA GAZETA": "Apartment Vacant in the Kremlin: President's Center for Communications with the Regions Will Be Set Up There"]

[FBIS Translated Text] The work of modernizing building no. 1 (the presidential block) in the Kremlin, where Boris Yeltsin will work after his return from the sanitarium outside Moscow, is nesaring completion.

According to information obtained by your RIA correspondent from a trustworthy source on the presidential staff, the handover of the "facility" is scheduled for 15 December.

The official offices of the Russian head of state and his closest aides plus rooms for the security guard will be located in the renovated Senate building, the work of the architect Matvey Kazakov. The restorers offered to provide an apartment there for the president's family, but Yeltsin demurred. A situations center which will receive information from the regions, ministries, and departments will operate there. Nationwide television channels will also be able to broadcast from there.

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The six-room V.I. Lenin Office and Apartment Museum, which used to occupy around 600 square meters, has now moved to Gorki. Workers are laying floors in the area left vacant. A state commission is deciding where to house a small set of exhibits connected with the Russian state system.

The Kremlin itself, with its churches and museums, will remain open to visitors. Access will be restricted only in respect of the president's offices, for which an artistic rail fence is being added to buildings Nos. 14 and 1. Such existed here at the beginning of the century and matched in style the railings of the Taynitskiy Garden. Incidentally, according to my source, Yeltsin expressed the wish that people enjoy open access to the display areas within his residence.

The former Senate building was constructed on the orders of Catherine the Great in 1788.

The Russian president's residence used to be in this building. However, aware of the unique nature of this monument of Russian architecture, Boris Yeltsin moved into a neighboring building at the end of 1993. The restoration of the historical appearance of these monuments of lasting value was begun on his initiative.

As far as the Senate's walls are concerned, specialists conclude that they are not only in first-rate condition but are good for another century yet.

Military Issues

Gen. Podkolzin Interviewed on Reform, Airborne Troops

MM1112141195 Moscow KRASNAYA ZVEZDA in Russian 7 Dec 95 p 2

[Interview with Colonel General Yevgeniy Podkolzin, commander in chief of the Airborne Troops, by Aleksandr Oliynik; date and place not given: "Col. Gen. Yevgeniy Podkolzin: 'I Am Proud of My Airborne Troops'"]

[FBIS Translated Text] From the KRASNAYA ZVEZDA file: Yevgeniy Nikolayevich Podkolzin was born in 1936 in Lepsinsk, a village in Taldy-Kurgan Oblast's Andreyevskiy Rayon. He served over 40 years in the Airborne Troops. He graduated from two academies — the M.V. Frunze Academy in 1973 and the General Staff Military Academy in 1982. In September 1991 he was appointed commander of the Airborne Troops. He has been awarded many medals and six orders, among them "For Personal Courage." He is a colonel general. He is married. He has two sons.

[Oliynik] Yevgeniy Nikolayevich, you are well known in the Army not only as commander of the Airborne Troops but also as a military leader who is sincerely concerned for the fate of the fatherland and the Russian Army. There is no doubt now that the Army needs reform. You can tell that from the "Chechen campaign," which has clearly highlighted many of our problems and shortcomings. But what kind of reform should it be and how should it be implemented? Those are surely the questions which prompt the most debate.

[Podkolzin] Have you noticed who are the main participants in this debate? As a rule they are politicians of various hues who have little understanding of the military doctrine and the fundamental criteria of the defense capability of such a vast country as the Russian Federation. It is no secret that the Russian economy is now going through a deep crisis and is undergoing profound restructuring in the direction of market relations. In my view, until we reform the economy itself and give people jobs, until we feed them and provide them with everything they need, it is premature to talk seriously about the military reform. After all, what does the military reform mean — it means a fundamental change in the quantitative and qualitative composition of the Army and Navy in accordance with the military doctrine, the strategic and geopolitical interests of the state, and the need to protect its borders securely. The implementation of this reform will take years or decades and will involve enormous material costs and resources. Today, however, we cannot even pay our officers on time yet wherever you go there are people bawling about the reform... We must preserve the officer corps, who are the backbone of the Army, overcome the crisis in the defense industry, and ensure that we have the minimum necessary to maintain the troops' combat readiness. And that will take a lot.

[Oliynik] Can you give us a specific example?

[Podkolzin] Certainly. There is a lot of talk nowadays about the formation of a long-term future-oriented arms program. It identifies the priorities in the development of various types of armament suited to a specific task. For example, the priority in the equipment of the Airborne Troops now is the BMD-3 [airborne fighting vehicle). It is a unique vehicle in many regards: It is half the weight of an infantry fighting vehicle but is not inferior to it in terms of armaments or indeed in regard to many other characteristics. To resolve the Airborne Troops' tasks at the present stage we need several hundred machines of this kind. But so far we have received fewer than 100. The money earmarked for their production has been "diverted" into the development of combat helicopters. So much for the notion of a priority.... Because of the paltry military budget the Military Transport Aviation fleet is not being replenished at all right now. I regard that as our major mistake.

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[Oliynik] Is this not why the military are now increasingly actively joining in the election skirmish for State Duma seats — to protect the Army itself and defend the interests of people in uniform?

[Podkolzin] In my view this is indeed the main reason. It is already obvious now that the military made a mistake when they effectively ignored the previous elections and succumbed to the slogan "The Army Is Outside Politics!" We must try to defend the interests of the state and its armed defenders ourselves. Incidentally, there are eight Airborne Troops officers and generals who have entered the election struggle.

[Oliynik] How many Airborne Troop units are left in Chechnya now, and how do you generally assess the Airborne Troops' actions in this "hot spot"?

[Podkolzin] At present there are two composite regiments and two composite battalions of the Airborne Troops headed by an operational control group on Chechen territory. They total 3,000 people. As for my assessment of the airborne troops' actions, I can say as their commander that I am proud of my subordinates. We were not prepared in advance for actions in mountain conditions. After all, the airborne troops were initially given different tasks — to support the operations of the internal troops in catching the gunmen. But the situation demanded it and, thanks to their high professional and combat qualities, the airborne troops rapidly adapted in the most complex conditions to combat operations against an experienced enemy. At first our units cleared the way for other troops. As a result, unfortunately, we suffered heavy losses — at present there are 314 officers and men on this sorry list.

[Oliynik] Soon it will be one year since the federal forces went into Chechnya. How do you assess these events one year later? What lessons have you learned for yourself and your subordinates?

[Podkolzin] Clearly it was impossible even then to restore "constitutional order" in Chechnya without using regular troops. It had all gone too far, too much hatred toward Dzhokhar Dudayev had already built up among a considerable proportion of the population. But such a complex and unique operation or even several variants of that operation had to be planned well, all possible implications had to be factored into it in view of Chechnya's history, cooperation among all the categories of troops involved had to rehearsed, and most important of all, people had to be well prepared for combat operations in urban and other specific conditions — all of that is a quite separate matter. The latter aspect of the operations means forming subunits while on the march and training troops when under fire. But we were forced to do this by those people who are keeping the Army on starvation rations, those people who still cannot resolve problems of staffing the troops with personnel, re-equipment, and so forth at state level. The easiest thing of all is to blame all the mistakes on the Army....

[Oliynik] How do you regard the Army's participation in such conflicts generally?

[Podkolzin] Conflicts vary. Who could have foreseen a few years ago the scale that the notorious "self-determination" would have reached or how many people would pay for this with their lives? We have soon forgotten that, thanks to the Army and in particular the Airborne Troops, the country was not awash with blood five years ago when our soldiers, to the malicious cries of the so-called democratic press, had to form a human corridor between the intransigent sides.

[Oliynik] I am bound to raise the topical theme of the new collective forces' peacekeeping operation in Bosnia and the role assigned in it to our troops as well as the airborne troops.

[Podkolzin] Our troops are surely the only ones in the Armed Forces which perform combat tasks in peacetime, including the peace keeping mission on the territory of former Yugoslavia. For more than four years airborne troops have been part of the UN troops and, in response to the call of the top UN officials, have performed their tasks successfully. Two of our battalions will remain in Sarajevo and Eastern Slavonia until the expiry of the UN mandate. As for the new task within the collective forces' operation in Bosnia, we are thoroughly preparing a paratroops brigade for that purpose based on the division stationed in Ivanovo. But it is too early to talk in specific terms about our functions and tasks right now. Strictly speaking the tasks are not clear to us at the moment but we military men, as is well known, resolve all the questions involved in a specific task when it is given to us. In my view, since we have already made the decision to cooperate with NATO troops in the Balkans, we are simply obliged to perform a peacekeeping mission in the main sector and not in some secondary sector.

[Oliynik] Are you not planning to pay a personal visit to the Posava corridor where it is planned that the Russian contingent will be based?

[Podkolzin] I do not rule out that possibility. In February last year I had to introduce our battalion into Sarajevo. I repeat, it will all depend on our troops' forthcoming task in Bosnia. But I am firmly convinced of one thing: Whatever task the Airborne Troops are given it will be performed conscientiously. And not only in the Balkans....

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Federal Assembly

Shumeyko on Relations With Yeltsin, Post-Election Plans

MM1212101695 Moscow IZVESTIYA in Russian 10 Dec 95 p 2

[Interview with Vladimir Shumeyko, speaker of the Russian Federation Council, by Anatoliy Stepovoy; place and date not given: "Vladimir Shumeyko: 'I Won't Go to America'"

[FBIS Translated Text] Now that Russian Federation President Boris Yeltsin has put an end to the protracted dispute over the principles of formation of the Russian senate, Vladimir Shumeyko's future looks rather uncertain. The number three in the state hierarchy has suddenly lost his place at the top of the power pyramid. That was the topic of our conversation.

[Stepovoy] How much of a surprise to you was the president's decision to sign the Duma's version of the law on the procedure for the formation of the Federation Council?

[Shumeyko] I was not expecting the president to sign this law. Only a day and a half earlier, Boris Yeltsin had sent a letter to the Federation Council and the State Duma calling on us to find an agreed solution on this law. I was still hoping that the Duma deputies would examine the law that the upper chamber had voted on. But it has become clear that they did not even read it.

[Stepovoy] So it was a kind of act of defiance toward the upper chamber?

[Shumeyko] It was an act of defiance.

[Stepovoy] Who was it who outplayed you?

[Shumeyko] Ivan Petrovich Rybkin made great efforts to ensure that the present law got through. He wanted it adopted so badly that he used this argument to persuade his deputies: If we adopt the law, it will make things worse for Shumeyko. When voting in the Duma is accompanied by cries of "Down with Shumeyko!", that line of argument is lethal.

[Stepovoy] You are one of the few politicians now active who has come all the way with Yeltsin from the RSFSR Supreme Soviet to the present day....

[Shumeyko] It's not because I'm a favorite of his. In fact, I have contact with him less often than other people. It's simply that I have never done a job badly. And Boris Nikolayevich appreciates that.

[Stepovoy] You have served Yeltsin, it must be said, faithfully and sometimes even, forgive the expression...

[Shumeyko] To my own detriment...

[Stepovoy] ...slavishly.

[Shumeyko] Give me just one example!

[Stepovoy] You have always sought to be first to give voice to the president's riskiest plans and have even tried to preempt some of his intentions, which has annoyed many people. And now, from being the number three in the state hierarchy, you become Mr. X. Are you hurt?

[Shumeyko] Well, no, it's not a case of being hurt.... You said why people don't like me. Yes, my capabilities are certainly above average. That's true. And I never did extra homework — school was enough for me. In short, I was an interesting person.

[Stepovoy] And cunning?

[Shumeyko] That too!

[Stepovoy] How did you arrive at the idea of creating your own movement, "Reforms — New Course"? Nearly all the well-known politicians have acquired their own parties, while you....

[Shumeyko] The country needs a broad mass movement, a bulwark. I want people to learn to influence the authorities. So that politicians in power feel a constant pressure from the people.

[Stepovoy] What will you do after 18 December — go fishing, go into diplomatic work, into business?

[Shumeyko] For the time being, I'll be busy organizing the movement.

[Stepovoy] But what will your family live on?

[Shumeyko] After the movement's founding conference, I hope to be on its leadership bodies. And the movement, as a public organization, exists on the contributions of the co-founders. I expect these contributions will be enough to cover my wages.

[Stepovoy] And where do you intend to live — in Moscow, in Krasnodar, or maybe you'll go to your daughter in America?

[Shumeyko] No, I won't go to America. I'll live in Moscow. In any case, my son-in-law is coming to the end of his contract. And my daughter went to the United States with him because she's his wife.

[Stepovoy] Have five years on the political Olympus changed Krasnodar director Shumeyko? And in what direction?

[Shumeyko] They have changed me a lot. I should say in the direction of wisdom. I have become more thoughtful in everything.

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[Stepovoy] One last question. You have talked a lot, willingly, about your merits, but do you have any defects?

[Shumeyko] Yes. Excessive boastfulness, for one.... I don't do it deliberately, but it is part of me, it's there. In some cases I could have behaved more modestly. I dare say it's in my genes: My grandfather was a Pole....

Law Will 'Virtually' Abolish Foreign-Use Passports

LD1112174095 Moscow INTERFAX in English 1458 GMT 11 Dec 95

[FBIS Transcribed Text] Moscow, Dec 11 (INTERFAX) — A new law will virtually abolish foreign passports for official use and recognize the passport, diplomatic passport and sailor's passport as the basic documents for entry in and exit from Russia, one of the architects of the law, Vyacheslav Igrunov of the Yabloko faction, told INTERFAX.

The State Duma passed the law in third, final reading on December 8 and submitted it to the Federation Council.

According to the new law, diplomatic passports will be issued to Russian citizens enjoying diplomatic immunity under the Vienna convention on diplomatic relations and other international documents.

The law says that a Russian citizen ca[illegible] be denied right to enter Russia, while his exit from [illegible]ssia does not involve any restrictions of rights guaranteed by Russia's legislation and international documents "for him, his spouse and close relatives."

However, the document stipulates that the Russian citizen's right to exit the country may be limited, but only in specific cases and for a definite period of time. For instance, if the citizen had access to strictly confidential information or state secrets, his right may be limited for five years.

Russians citizens may be denied right to exit the country, if he is drafted in the armed forces or undergoing alternative service, until his service is over.

Budget Adoption 'Deserved Reward' for Government

MM1112165595 Moscow FINANSOVYYE IZVESTIYA in Russian 8 Dec 95 p 1

[Report by PRAYM news agency's Irina Yasina: "Russia Has Caught Up With and Overtaken the United States in Budget Process" — received via Internet]

[FBIS Translated Text] While the U.S. Congress is borrowing the worst traditions of Russian parliamentarians by not approving the budget proposed by President Clinton, the Russian legislators have simultaneously adopted the state budget on its second and third readings in the space of a single day. In this way it is very likely that for the first time in the entire post-Soviet period, Russia will see the New Year in with a ratified federal budget.

The significance of this event cannot be overestimated. To begin with, there are purely technical factors which, in the event of the budget not being adopted, complicate the working of the Russian economy as a whole. You see, without it, all disbursements by the federal government are illegal. An alternative to this civilized start to the financial year is to ratify a budget for the first quarter or to finance expenditure at the level of the previous quarter. Nevertheless, an ideal situation for any economy is for there to be uniformity in spending, or, best of all, for each day to cost the budget the same as the day before. This is only possible with a ratified annual budget.

The adoption of the budget by the State Duma in advance of the elections on 17 December signals, despite all the "pros" and the "cons," a certain degree of support for the federal government's financial policy by the Duma. For the second year now the budget's most important feature is an absence of funding from Central Bank credits, that is trust is being put in funding that is not based on the printing of money. However, in the opinion of the majority of experts, the stability of the state's financial policy is becoming the most important factor.

As for the actual procedure for adopting the budget, what happened in the Duma on Tuesday left you with the impression that the government and the legislators had come to an agreement on practically all questions during preliminary consultations. Amendments by the deputies, which were omitted from the list of 1,000 amendments approved or rejected by the Duma Budget Committee, were voted on "singly." Given that the speaker of the lower chamber, who shared the government's dream of creating an historical precedent through the budget's ratification, did not allow deputies to go to lunch, the vote on the amendments took place fairly rapidly. Yet once the budget had already been ratified, Budget Committee head Mikhail Zadornov complained that his colleagues had not always voted in an informed manner about what they were voting on.

But as the deputies were voting, the government was making sure that all the amendments approved by the legislators had sources to cover them. When it became clear that this was not possible for all the amendments, Anatoliy Chubays came forward as a real peacemaker, assuring the deputies that those items that did "not fit into" the framework of the budget would be funded

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using additional budget income. No one, of course, will take it upon themselves to predict whether the budget will have additional income next year, but weary of the budget process, the deputies agreed.

In the opinion of observers, the government let through several amendments requiring significant funding. They include, inter alia, the amendment concerning the 214 billion ruble [R] increase for children's health camps and the appropriation of R200 billion for Ingushetia's new capital. However, a completely appropriate source of funding was found for this last amendment: The government decided to extend the term of the free economic zone within the territory of Ingushetia and to channel half of the income from this into building the capital. The half a billion that deputies decided to send to assist those eliminating the effects of the accident at Chernobyl will be provided by reducing subsidies from Moscow's federal budget.

Thus, the State Duma's ratification of the federal budget is a deserved reward for the government, which has demonstrated itself to be a skillful tailor turning and darning a suit that is falling apart but at the same time trying to look civilized.

Regional Affairs

Chechnya Reportage: Negotiations, Military, Politics

OSCE Chief Denies Observer Pull-Out

LD0812184495 Moscow ITAR-TASS in English 1455 GMT 8 Dec 95

[By ITAR-TASS correspondent Sharip Asuyev and Sergey Trofimov]

[FBIS Transcribed Text] GROZNYY, December 8 (ITAR-TASS) — Chief of the OSCE mission in Groznyy, Olivier Pelen has denied rumors alleging that OSCE observers intend to leave Chechnya for the period of the forthcoming elections in connection with the growing tension in the republic.

Ruslan Khasbulatov, who stands for the post of the head of Chechnya in the forthcoming elections, made a statement on Friday morning, saying that members of the OSCE mission in Groznyy intend to leave Groznyy on December 13.

"Members of the OSCE mission have been working under usual regime, hold consultations with their OSCE chiefs once a week and are not going to leave Chechnya," Pelen told ITAR-TASS. He pointed out that the OSCE mission in Groznyy might change its location in order to improve working conditions since their workload has considerably increased.

Commanders View Prospects for Peace

LD1112220995 Moscow Russian Television Network in Russian 2000 GMT 11 Dec 95

[From the "Vesti" newscast by announcer Tatyana Khudobina]

[FBIS Translated Text] Our correspondent has had a meeting with the commander of the group of Russian internal troops in Chechnya and with Chechen field commanders. The question concerned the current state of the crisis in Chechnya and the prospects for resolving it. [video shows unidentified correspondent interviewing bearded men in camouflage jackets]

[Correspondent] The Chechen side takes a sceptical view of the prospects for peace in the republic. In the opinion of Gillayev, one of the field commanders, the agreement between Zavgayev and the Russian authorities, just like the planned elections, will not alter the situation.

[Begin recording] [R. Gillayev, commander of the southwestern front of Dudayev's forces] We have been fighting for independence for a whole year, and Zavgayev in one day signed an agreement about special powers of some kind. Peace will never be established here, in this land, until Russia finds common ground with the legitimate authorities.

[A. Zakayev, member of the leadership of Dudayev's military staff] With regard to our position or situation at present, following a year of fierce fighting against the Russian Army, I would put it as follows — we are certainly no longer the people we were in 1994, on 11 December. We have grown stronger. We now know who we are fighting against. [end recording] [video shows buildings guarded by a soldier; sign says "Internal troops of the Russian Interior Ministry"]

[Correspondent] An indication of the growing and fierce resistance of Dudayev's forces was also given in an interview with our correspondent by Igor Rybakov, commander of the group of Russian MVD [Ministry Of Internal Affairs] internal troops in Chechnya.

[Begin Rybakov recording] Ever since the beginning of December this year and up to the present day, the forces of the Interior Ministry and the troops of the Defense Ministry have been fired on more than 1,500 times. We constantly receive reliable information to the effect that Dudayev's top brass is cynically minded, and the field commanders are planning fresh acts of sabotage and terrorism. [end recording]

[Correspondent] According to Rybakov, there are now over 6,000 fighters under Dudayev's regime. They are using the peace interlude to replenish their supplies, to

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arm and to establish communications. As armaments they currently have armored vehicles, rocket launchers, and anti-aircraft missile systems.

[Begin Rybakov recording] This equipment has not, of course, been amassed to play games with, but to conduct war. Our mission is to prevent war. [end recording]

Basayev on Talks 'Deadlock,' 'Terrorist Acts'

AU1112132595 Vienna DER STANDARD in German 11 Dec 95 p 2

[Interview with "Chechen rebel" Shamil Basayev by Leo Gabriel in Groznyy; date not given: "Pompeii's Last Days in Moscow"]

[FBIS Translated Text] [Gabriel] Why have negotiations reached a deadlock?

[Basayev] Russia declared that our fighters must surrender 10,000 to 15,000 weapons. Where are these figures from? They have not been stipulated in the agreement. And whose fault is it that the weapons are not being surrendered? Russia, which has no money, is to blame. Settlements were shelled in the districts of Makashoy and Serzhen-Yurt. New tactics were used in this connection: The settlements were attacked from helicopters, and then it was claimed that they were not Russian helicopters. Very interesting — have extraterrestrials suddenly appeared?

[Gabriel] Why has the exchange of prisoners of war come to a standstill?

[Basayev] Thousands of Chechens are still being detained in the Russian filtration camps. Ninety-nine percent of them are peaceful inhabitants who were not involved in any fighting. And I am being accused of detaining 47 prisoners of war. I do not have a single one. The Russian are keeping the Chechens in the camps on certain pretexts. Those who have money are redeeming their relatives. The Russian Army is trying to win time and plans to carry out punitive actions to destroy us. However, we are not idle either.

[Gabriel] Are your units planning terrorist acts?

[Basayev] We can also roam through Russia with fire and the sword if the war in Chechnya does not come to an end. It is easier for us. Russia is very big, and we know the country very well. Tell the people in Moscow that we will stage the "Last Days of Pompeii" there if we are not granted the possibility of holding free elections monitored by international organizations. This is no threat, but a warning. I can also tell you, we know how to put a nuclear power plant out of order — one needs only cut off the power supply.

[Gabriel] Does this mean that you want to continue the war?

[Basayev] I still believe that peace is possible. However, the troops must be removed first. So long as a single Russian soldier is still on this territory, the war will not stop.

[Gabriel] What made you so tough? There have been reports that the troops of the Russian Federation attacked your house and that your family was killed....

[Basayev] In Vedeno, the house of my cousin, where five families lived, was shelled. Of the 27 persons, 22 were women and children. Among the casualties were four women and five children below 12 years of age. The youngest was not even one year old, and there were also two men, one old and one young, who were visiting. Moreover, seven children were injured. However, have only my relatives been killed?

[Gabriel] Many Russian politicians believe that negotiations might be more successful after the elections, if people assume power who will continue the democratic reforms.

[Basayev] I think — the worse for Russia, the better for us. If the communists or this idiot Zhirinovskiy should assume power — we can only thank Allah! We can only be happy if the Russians devour each other.

Basayev: 'Neutral' Mediator Needed

BR1112151795 Madrid EL PAIS in Spanish 11 Dec 95 p 22

["L.G."-signed report on interview with Chechen military leader Shamil Basayev in Chechnya; date not given: "Basayev: 'We Are Asking For a Neutral Mediator'"]

[FBIS Translated Text] When we expressed our fear of falling into a Russian ambush, the Chechen militiaman accompanying us into the Caucasus Mountains to interview Commander Shamil Basayev, said: "Perhaps you do not believe in God." "If you did believe in God," our guide went on, "you would know that death is much sweeter than life, and that it makes no sense to be afraid of it." And, as if to underscore their words, they raised their "Kalashnikovs" toward the Caucasian night's dark sky.

On our way to meeting the Chechen leader for the first interview granted to a European newspaper following the Budennovsk events, we were able to ascertain the extreme fragility of the military situation; barely 15 km from the capital, in Shali, we came across the first Chechen militia post. After walking along country roads and mountain paths for over four hours, we reached a

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farm where (in contrast to the capital) they did have electric power.

Shortly afterwards Basayev appeared, with his characteristic beard trying to offset his advanced baldness, dressed in civilian clothes. Speaking in a soft voice and with gestures reflecting his newness to this kind of situation, he told of some of the atrocities committed by the Russian Army, and he reproached them for having interrupted negotiations following the attempt made on the life of the commander of the Russian Army in Chechnya, General Romanov, early in October.

We asked him for his views on the Chechen problem, and also about the rumors concerning a rift developing between him and Dudayev. "In the West, and particularly in Latin America," I asked him, "there is intense debate on the concept of autonomy, which is being used as a basis for putting forward proposals for the solution of many ethnic and national conflicts. Do you believe this concept is valid also for solving the conflict in Chechnya?"

Basayev stared at me for a few seconds from the depths of his dark eyes, and then mentioned his forefathers who had died for independence, and he said that he would die, just as his sons would, for the same objective. He went on to say: "You come from Austria, which is a German-speaking country like Germany and with the same history as Germany. Why do you expect us, who speak a different language, who have our own culture, and who have fought against the Russians throughout history, to accept a form of autonomy which would amount to a continuation of the oppression we have been suffering for centuries?"

I did not know what to reply. I only knew that a peaceful solution to the conflict must be possible. I thought of the women who had shouted at us in the market place, complaining about their suffering and saying that they did not want the war to go on. And, as if he had guessed my thoughts, Basayev said: "What we need is an independent and neutral international body. The OSCE is here on Russia's initiative and is not neutral. If we had a truly objective mediator, we would be prepared to hand in our weapons, provided that the Russians go away and that we are allowed to organize a referendum on Chechnya's independence."

"Would you expect," I asked him again, "to be elected president in such an event?"

"No, not at all," he replied. "I am not a politician. I want to devote myself to business." "If free elections were held, I would vote — as I did last time — for my general, Dudayev," the famous guerrilla added, with a smile suggesting that the war in Chechnya will still go on for some considerable time.

Romanov Unchanged; Remains Unconscious

LD1012164295 Moscow INTERFAX in English 1437 GMT 10 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 10 (INTERFAX) — Col. Gen. Anatoliy Romanov, who was seriously wounded in an assassination attempt on his life in Groznyy, the Chechen capital, on October 6, may be transferred from the reanimation unit to an ordinary ward after December 12. Chief Doctor of the Burdenko Main Military Clinical Hospital Vyacheslav Klyuzhev told INTERFAX today that "no radical changes" concerning Romanov's state had been registered in the last few days. Doctors evaluate Romanov's state as "of a medium degree of seriousness." "All organs and systems are functioning independently. However, Romanov has not so far regained consciousness," Klyuzhev said. At the same time, he stressed that Romanov's state could not longer be described as coma.

Kulikov on Dudayev's War Preparations

LD1012164995 Moscow INTERFAX in English 1437 GMT 10 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 10 (INTERFAX) — Russian Interior Minister Anatoliy Kulikov told INTERFAX in an exclusive interview that "Chechnya was preparing for war not only with Russia." Kulikov said on the eve of the first anniversary of federal troops' introduction to Chechnya that Chechen separatist leader Dzhokhar Dudayev had launched preparations for war in the very first days of his coming to power. "The Chechen armed forces were based on equipment and arms of withdrawn military units and 62,000 people from the National Guards," Kulikov said.

"Our intelligence officers have seized documents relating to a military exercise planned by Dudayev and his military staff for the end of 1992," Kulikov said. The military exercise was meant to check the Chechen army's capability of "repulsing aggression," Kulikov said. He said that potential enemies on Dudayev's maps included North Ossetia painted brown, Ingushetia painted yellow and Russia painted blue.

Kulikov Justifies Sending Troops in 1994

LD1012174595 Moscow INTERFAX in English 1437 GMT 10 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 10 (INTERFAX) — Russian Interior Minister Anatoliy Kulikov told INTERFAX in an interview that he saw the decision

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to bring troops to separatist Chechnya twelve months ago as reasonable.

"We had to go to Chechnya to bring about law and order and protect Russian citizens," Kulikov said. "We are being criticized for victims among civilians and our soldiers killed in Chechnya. However, if we had not interfered in the conflict which broke out in this republic, there would have been far more victims," he said.

"It was necesary to end military confrontation between anti-Dudayev and pro-Dudayev forces, restore the Russian Constitution in a federation's constituent member, protect the population from genocide and finally eliminate the threat of Russia's disintegration" he said. (Dzhokhar Dudayev is Chechnya's separatist leader — IF). Kulikov said Russia had to resolve problems regarding "uncontrollable prolifiration of arms from Chechnya," disarm and dismiss illegal armed formations, "end the constant threat of terrorism, including nuclear terrorism" and rebuild the Chechen economy.

"The introduction of troops had classic descriptions of a military conflict because tasks could be resolved only by force. Political means failed to bring results," Kulikov said.

Two Thousand Troops Killed in 12 Months

LD0812210395 Moscow ITAR-TASS in English 1604 GMT 8 Dec 95

[By ITAR-TASS correspondent Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, December 8 — A total of 1,928 federal troops were killed and 5,487 were wounded during the military action aimed at restoring the constitutional order in Chechnya, the Russian Defence Ministry Information Department told ITAR-TASS on Friday.

A total of 1,928 federal troops were killed and 5,487 were wounded during the military action aimed at the restoring the constitutional order in Chechnya, the Russian Defence Ministry Information Department said in a statement on Friday.

Yeltsin sent troops to Chechnya on December 11, 1994.

"The troops have broken the fierce resistance offered by the illegal paramilitary groups using treacherous and dishonest methods, which has allowed to pass on to seeking political ways to settle the conflict and to start a negotiating process," the statement said.

Thousands of Russian troops demonstrated the utmost courage and heroism in the name of preserving the territorial integrity of the Russian Federation and the restoration of order and stability on Chechen territory, the statement said.

Many of them received high state awards, including the title of a Hero of the Russian Federation, according to the statement.

Over 90 percent of the 5,487 federal troops, wounded in Chechnya, were re-placed into service after hospital treatment, according to the statement.

"The leadership of the Russian Defence Ministry, as well as the army and navy personnel, honour the memory of their companions-in-arms who have completely performed their duty for the sake of Russia's integrity," the statement said.

Control Tightened Over Groznyy Bridges

LD1112163795 Moscow INTERFAX in English 1458 GMT 11 Dec 95

[FBIS Transcribed Text] GROZNYY, Dec 11 (INTERFAX) — Federal troops and Chechen policemen have blocked the center of Groznyy where demonstrators are demanding the withdrawal of the Russian troops Sunday. The meeting marks the anniversary of the military operation in Chechnya.

Federal units have toughened control over the movement of transport on the two surviving bridges across the river Sunzha in the center of the city. Only the vehicles of the federal Interior Ministry are allowed the enter the central part of Groznyy.

Local law-enforcement units have blocked the square in front of the Yubileiny movie theater, where Dudayev supporters are holding their meeting. The police neither interfere, nor try to disperse the demonstrators.

Meanwhile, groups of people numbering several dozen to more than a hundred move to the place from different directions, carrying flags of the Chechen Republic of Ichkeria. Over 1,000 people have gathered in the square.

Several residents of Gudermes (Chechnya's second largest city) told our correspondent that the road from the eastern (Gudermes) direction had been blocked in several places, so most of those willing to join the meeting will not be able to reach the city.

Dudayev supporters who arrived in Groznyy from western Chechen villages report that meetings demanding the withdrawal of Russian troops were held Monday in major western Chechen regional centers: Urus-Martan (some 25 km from Groznyy) and Achkhoy-Martan (about 50 km). Helicopters of the federal troops continue to make control flights over the city.

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AFP Center 'Encircled' by Troops

AU1112105995 Paris AFP in English 1031 GMT 11 Dec 95

[FBIS Transcribed Text] Groznyy, Russia, Dec 11 (AFP) — Chechens demonstrated and Russian troops went on high alert in Groznyy on Monday to mark the first anniversary of the start of Moscow's brutal military operation in the Caucasus republic.

Troops stationed on the outskirts of the city told AFP that no one was allowed to enter and leave the city without special authorisation.

Helicopter gunships flew low over city rooftops and heavily armed posts were set up to seal off the centre. Streets were almost deserted.

Near the ruins of the presidential palace, where Chechen guerrillas held out for weeks against massive Russian bombing and artillery attacks in January, about 2,000 Chechens held a demonstration at midday (0900 GMT).

"Troops out," the crowd shouted.

Interior Ministry Spokesman Igor Pagosov said his troops had not "been ordered to encircle the city, but the city centre is encircled because there were bomb alerts near the presidential palace."

The alert at the posts in the suburbs may have been ordered by the secret services, however, he said.

About 40,000 Russian troops in tanks and armoured vehicles, and backed by airpower, stormed Chechnya on December 11 last year to end Chechen President Dzhokhar Dudayev's three-year independence bid.

After fighting in the outskirts of Groznyy and other towns, and heavy air raids on residential areas of Groznyy, Russian troops stormed the city on December 31.

Defense Minister Pavel Grachev had predicted an easy victory against the lightly armed guerrillas, but it took the army more than six weeks to capture Groznyy, destroying much of the city in the process.

Russian troops now control most of the republic, but fighting continues in the southwest.

Tension is rising throughout the republic, which was conquered by Russia in the late 19th Century, ahead of elections called by Moscow next week for a new Chechen leader.

The rebels have boycotted the poll and the main independent candidate, Ruslan Khasbulatov, pulled out, saying the vote would rekindle the war.

The estimated death toll from the war ranges from 17,000 to 50,000, with most estimates at around 30,000.

Federal Troops Kill 16 Militants

LD1212102695 Moscow ITAR-TASS World Service in Russian 0926 GMT 12 Dec 95

[By ITAR-TASS correspondents Sharip Asuyev and Sergey Trofimov]

[FBIS Translated Text] Groznyy, 12 Dec (ITAR-TASS) — Federal troops Monday seized a major base of militants near the settlement of Alleroy, about 40 km southeast of Groznyy, the press service of the command of the joint group of federal troops in Chechnya reported today.

According to the source, the seizure of the base was the result a counterstrike in response to actions by militants who attacked positions held by Russian units. The militants' firing positions were established and attacked. According to preliminary information, 16 militants were killed and three pieces of military equipment destroyed.

Federal Train Blown Up; No Casualties

LD0812173995 Moscow NTV in Russian 1600 GMT 8 Dec 95

[From the Segodnya program]

[FBIS Translated Excerpt] [passage omitted] The federal troops in Chechnya are stepping up security measures following threats by Dudayev's supporters to wreck the elections and launch military operations as a sign of protest against the treaty Zavgayev has signed with Moscow.

One of the latest such operations is an act of sabotage in northern Chechnya, 40 km from Groznyy, where a federal forces' armored train was blown up. The blast occurred immediately beneath the locomotive, which has been put out of action. Fortunately, there were no casualties.

Militants Deny Zakayev Shot, Injured

LD1112175495 Moscow Radio Rossii Network in Russian 1700 GMT 11 Dec 95

[FBIS Translated Text] Chechen militants refuted the report circulated today that Akhmed Zakayev, member of Dudayev's delegation to the Groznyy talks, was shot at and seriously wounded by unknown people yesterday on the way to Urus-Martan. In an interview to REUTERS given on the outskirts of Groznyy, Doku Makhayev, one of Dudayev's field commanders, said he had personally seen Akhmed Zakayev today, and that

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the latter had been very astonished at the reports of an attack on him and his companions.

Zakayev had said he had no idea where such information could have originated.

Paper Comments on Russia-Chechnya Agreement

MM1112163595 Moscow KOMSOMOLSKAYA PRAVDA in Russian 9 Dec 95 p 1

[Report by Viktor Sokirko under the "Fact of the Day" rubric: "Agreement on Chechnya Signed. No Accord Among Chechens"]

[FBIS Translated Text] After signing the agreement on the main principles of mutual relations between the Russian Federation and the Chechen Republic on 8 December, just 10 days before the presidential elections in Chechnya, Doku Zavgayev smiled happily at the television cameras and at Russian Premier Viktor Chernomyrdin. As of yesterday the Chechen Republic has acquired special status — the component of the Russian Federation can now participate autonomously [samostoyatelno] in international and foreign economic relations and acquire its own Constitution and legislation; in addition the Chechen state organs will autonomously exercise their powers in the formation of the budget and taxes and the organization of the system of power. Incidentally, Chechnya will now have its own representative missions.

The "jewel in the crown" of the agreement, however, is that Russia will continue to allocate financial and other resources to the Chechen Republic Government. The establishment of customs and tax concessions is equally important. So there are grounds for the happiness of the Chechen premier, who is number one on the electoral list.

While gambling on the government of national revival, however, Russia has "forgotten" the man who is by no means the least important "player" in this game — Dudayev. The general-cum-president is hardly going to voluntarily surrender his powers whatever the outcome of the Chechen Republic elections, which will take place without him.

Federation Council Member on Chechnya

964F0533A Moscow ARGUMENTY I FAKTY in Russian No. 49, Dec 95 p 2

[Article by Federation Council member Nikolay Gonchar under the rubric "Commentary": "Thorn in One's Side: On Ways To Resolve the 'Chechen Problem'"]

[FBIS Translated Text] A year of "Chechen war" is a sad and tragic anniversary. It is time to figure out the bottom line. The casualties, however, still have not been counted—all we know is that there are tens of thousands. The expenses have not been yet totaled—all we know is that tens of trillions of rubles [R] have gone into it.

Not a single one of the goals proclaimed at the beginning of the war has been achieved. Dudayev is alive—physically and, even more importantly, politically. Avturkhanov and Khadziyev, on the other hand, were forced to retreat to Moscow. All the propaganda cliches used to justify that war—Dudayev's gangster regime, the restoration of constitutional order, and so on—have faded hopelessly against the background of this huge, and growing, mountain of dead bodies. A small victorious war has turned into a big and senseless slaughter.

One incontrovertible argument is left—the integrity of Russia: an absolute category for us. This is not the time to count casualties.

I contend that:

—the current policy in Chechnya undermines Russia's integrity,

—to preserve the country's integrity, we need to stop the war and get rid of the "Chechen abscess."

Let me try to justify both these contentions. Chechnya is going to have elections. Chechnya will be given "special status."

Will these measures bring about peace? I do not think so. Even if the elections take place, Dudayev and his supporters, who de facto control a large part of the republic, are not going anywhere. They will remain irreconcilable—both to Russia and to Chechnya's new leadership. A war, albeit a "slow" one, and the "Afghanization" of Chechnya, will continue.

"Special status" means only one thing—**special superprivileges** for the rebellious and unsubdued Chechnya. Khasbulatov has already gone so far as to mention **dual citizenship!** This is the kind of great power we will have—the kind that will include a republic with its own, separate from Russian, citizenship!

Well, why don't we really start thinking about Russia and its integrity? Can one think of any more dangerous, provocative situation? Will other republics not shout tomorrow: "What about us?!"

It is easy to figure out what Chechnya's real position will be. Chechnya will not observe the laws and pay taxes, but **tens of trillions** from the Russian budget will pour in there. A number of deputies (including myself) have been fighting furiously just recently to give Moscow—Moscow, which pays much more into Russia's budget than it gets out of it—R6 trillion to

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carry out its functions as the capital of Russia. We only succeeded in getting three. By the most conservative estimates, R20-30 trillion will go to Chechnya next year. And in return?

In return—new zinc coffins containing Russian soldiers of "occupation."

The trouble is that this policy is not wrong. It is the only one available if we set our goal as keeping Chechnya part of Russia, while lacking the military means to accomplish it.

There is only one alternative to this policy. Change the goal. Reject the idea of keeping Chechnya "part of Russia." Russia will only gain from this, or at least stop losing.

Chechnya's secession (or rather, part of it, because in all fairness part of it must be returned to Stavropol Kray, from which it was taken in 1957) will not cause the disintegration of Russia. Chechnya is not just a component republic of Russia. Chechnya is in fact a special republic.

What is actually currently the subject of negotiations? Truly and honestly—they are all about WORDS. Alas, the goals of these negotiations are not so much state interests as they are political, even propagandistic. The real goal is to win the war of WORDS by giving up the cause. To preserve the ability to only SPEAK of Chechnya as part of the Russian Federation. For all intents and purposes Chechnya will still be independent, taking everything from the central authorities and disregarding—certainly not abiding by—these authorities.

On the other hand, having taken a tough position—we do not give in to blackmail; if you want to secede—do so, and then we will see how you in all seriousness make it on your own. **Moscow would strengthen its political and moral position.** It is this kind of policy that works for the preservation and strengthening, rather than disintegration, of united Russia—Russia with components that are alien to it, that reject it. "Do not accumulate what is alien to you—it will not become your own," wrote Goethe. The great poet was right.

And on **17 December** what we should be holding in Chechnya are not elections but two referendums (and if 17 December is not possible, it could be done on **16 June**).

In Chechnya: **Do you want to remain part of Russia?**

In Russia: **Do you want Chechnya to remain part of Russia?**

And if both sides say "no," begin a civilized "divorce," in keeping with the **Constitution,** which, albeit in extremely convoluted form, nevertheless does envisage such a procedure.

This is what would boost respect for Russia, raise our self-respect, and reinforce the real rather than imitation strength of our state.

Dudayev Seen as Russian President Candidate

LD1112193195 Moscow INTERFAX in English 1720 GMT 11 Dec 95

[FBIS Transcribed Text] MOSCOW, Dec 11 (INTERFAX) — During a meeting in Moscow Monday to mark the anniversary of the military operation in Chechnya, the Tatar People's Democratic Party Vatan, which has about 1,000 members, announced its decision to propose Dzhokhar Dudayev's candidacy to the presidential post in Russia. The slightly more than a dozen demonstrators gathered in Moscow's Lubyanka Square Monday carrying posters which read: "Remove Troops, Give Peace to Chechnya!", "Elections to the Sound of Cannons is a Farce!", "Ichkeria will be Free, Military Criminals Tried!", "Dzhokhar Dudayev Must Become President!"

Vatan leader Yevgeniy Minachev told INTERFAX that the advancement of Dzhokhar Dudayev's candidacy to the presidential post was aimed at "demonstrating that elections cannot be held in Chechnya against the background of war."

"Such elections are a farce which can only lead to the resumption of large-scale combat operations," he said. The meeting was attended by leader of the Democratic Union party Valeria Novodvorskaya. "One must acknowledge, preferably publicly, that Chechnya has never been part of Russia before and now," she told INTERFAX.

"Although Dzhokhar Dudayev and Shamil Basayev are decent and worthy people, talking about Dudayev's possible election to the post of Russian president is tantamount to talking about electing Bill Clinton to this post," she said.

Stavropol Officials Fired Following Budennovsk Incident

LD1112164695 Moscow ITAR-TASS in English 1551 GMT 11 Dec 95

[By Nikolay Styazhkin]

[FBIS Transcribed Text] STAVROPOL, December 11 (ITAR-TASS) — The Russian Interior Ministry commission has completed its work in the Stavropol region to find out what measures have been taken by the Chechen police to prevent a repetition of the Budennovsk tragedy.

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The governor's office of the Stavropol region told ITAR-TASS that some officials of the Interior Ministry of the Stavropol region have been relieved of their posts. Among them are deputy chief of the directorate Yuriy Kostyukov, chief of region's traffic police Ivan Reva, and his deputy Vladimir Dushkin. Disciplinary actions have been taken against chiefs of contiguous to Chechnya's administrative borders of the Kursk district Viktor Volodkin and the Sovetsky district's Aleksandr Fadeyev. [sentence as received]

The outcome of and conclusions drawn by the commission are not being published. However, according to local observers, measures to reinforce the personnel and sufficiently arm detachments, checkpoints on main highways, and aimed at preventing penetration by bandit formations and illegally bringing in arms have been implemented. Professional guarding of the most important economic facilities, establishments and organizations has also not been adequately ensured.

It is noted that unlike all preceding commissions, which visited the Stavropol region after the Budennovsk tragedy, the last one differed in its comprehensive approaches and had included above one hundred experts.

Economic Issues

Tax Service Head on Tax Debtors, Election

964F0541A Moscow ARGUMENTY I FAKTY in Russian Dec 95 No 49, p 16

[Interview with Vladimir Gusev, head of the Russian State Tax Service, by ARGUMENTY I FAKTY correspondent Pavel Lukyanchenko; place and date not given: "No Taxes—No Pensions"]

[FBIS Translated Text] Mail to the editors often brings in letters on the subject of taxation. For some, it may come as a revelation that taxes are the main source of state revenue. It is out of taxes, in particular, that pensioners are paid their pensions, mothers are paid child allowances, and teachers and the military are paid their salaries. Our correspondent Pavel Lukyanchenko interviews Vladimir Gusev, head of the Russian State Tax Service.

[Lukyanchenko] We have published the list of 50 enterprises, prepared by your organization, who have the greatest arrears in paying taxes to the state. You thoroughly audited each of these enterprises. Is it true, as we hear, that in most instances the cause of nonpayments was theft by the management of the debtor enterprises? Or are these enterprises in such a dismal state that they indeed were unable to pay their taxes?

[Gusev] It is impossible to easily separate black from white here. One of the problems of debtor enterprises is that they themselves do not get paid on time by those who owe them, and therefore they cannot pay their taxes on time. More often, however, their problem is different: They cannot balance their income and expenses. Why should they, for instance, continue building sanitariums and recreational room-and-board facilities on the Black Sea during these difficult times? The result is that these enterprises' employees will enjoy recreation with all the comforts in the south at the expense of pensioners, who already find it difficult to make ends meet. Also, why should debtor enterprises spend so much money on endless foreign trips?

There are also deliberate nonpayers, who simply do not want to pay taxes. As soon as serious pressure is brought on them, they find the money. For instance, Noyabrskneftegaz was seriously delinquent, but now it has made up practically all its debt to the federal budget.

[Lukyanchenko] You took the bold step of publishing the list of 50 enterprises, that is, legal entities. Why not make public a list of the 50 largest delinquents among physical persons—I mean "new Russians?" Some of them really loath paying taxes!

[Gusev] This is a far from simple problem. First we have to ensure more reliable control over taxation of physical persons. When we ask a "new Russian" these days: "Where did you get the money to build this cottage?"—he simply tells us to get lost: "Go and find it!" We need a law that will enable us to demand of a physical person an account of the sources of funds being spent, for instance, on house construction or car purchases.

Of course, we are not going to go to extremes and demand this information of a person buying a car, for instance, for 10-20 million rubles.

[Lukyanchenko] Two years ago our businessmen were literally in tears every time they described what outrageous taxes they have to pay. Now we do not see a lot of tears. Have taxes been reduced? Or is it that everyone has learned how to evade them "legally?"

[Gusev] First, in the past—in the Soviet Union—there was no tax system as such. And so when one was introduced several years ago, naturally, it brought out a sharply negative attitude on the part of entrepreneurs. I often meet with major businessmen. Do you know what they tell me? "We have already gotten used to the tax system and only ask one thing—do not make any drastic changes; otherwise it will be difficult to us to plan our operations."

[Lukyanchenko] As we were talking, you kept "making a roof" with your fingers. Are you a supporter of the Russia Is Our Home [NDR] bloc?

[Gusev] Well, this has nothing to do with it [he laughs]. But I am indeed a supporter of the government line, and

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in this sense an NDR supporter. Otherwise I would have no business holding this office. I want to note that the government is being criticized a lot these days. But it would be good for the critics to remember that it was the government that ensured execution of the state budget in the revenue part, and it is due to the government's efforts that the economy has begun to stabilize, inflation has dropped, and the ruble's exchange rate has become stronger. The government is entering the elections with good results.

[Lukyanchenko] If we had elections every quarter, the government, in order to please the voters, would always work so effectively, and our economy would have pulled out of the crisis a long time ago.

[Gusev] But you have to agree that there are indeed results. Finally, the government has paid all arrears to budget-sphere workers and to the miners. Believe me, when the budget undercollects tens of trillion rubles, this was not an easy undertaking. Nevertheless, it was done!

Arbitration Court Rejects Bank's Complaint

964E0260C Moscow KOMMERSANT-DAILY in Russian 22 Nov 95 p 14

[Article by Aleksandra Semenova under the "Problems of the Baltiya Bank" rubric: "Baltiya Was Unable To Find Its Portfolio in the Courthouse"]

[FBIS Translated Text] The Moscow Arbitration Court dismissed the appeal of the Baltiya Bank (Riga) administrator from the court decision denying its claim against InterTEKbank of Moscow (KOMMERSANT has been following the lawsuit since September). By agreement InterTEKbank received from Baltiya the right to demand payment of debts on credits not repaid to the plaintiff. In return Baltiya was supposed to receive a package of Russian bonds, but it did not receive them and decided to go to court to compel its partner to return the credit portfolio. But InterTEKbank presented to the court a document indicating that the portfolio had already been returned to its former owner. Baltiya alleges that the document is forged. The court did not agree, and denied the claim. Baltiya's attempt to appeal this decision was unsuccessful.

In April 1995 Baltiya and InterTEKbank concluded a cession agreement. Under it, the Riga people assigned to their partners the right to demand payment on debts of 80 million lats ($160 million) on loans that were not repaid to Baltiya. InterTEKbank received a credit portfolio, a package of documents with information on the Baltiya debtors and the loans issued to them (69 contracts). It was supposed to pay $130.1 million and 12.3 million lats in fifth-tranche internal currency loan bonds at their nominal value. Shortly after this agreement was concluded, Baltiya Bank was declared bankrupt and criminal charges were brought against its managers (for working against the state). The primary point of the indictment was conclusion of a cession agreement with a foreign bank. The term of this agreement expired in July, but Baltiya did not receive any bonds. Then bank administrator Ugis Grube filed suit in the Moscow Arbitration Court to compel InterTEKbank to return the loan portfolio.

The Moscow bank representative stated in court that the portfolio had already been returned. To prove this he presented a certificate of transfer of the portfolio, signed on 17 May in Moscow by Valentina Galushko, Baltiya director, and Aleksey Mironyuk, deputy chairman of the board of directors of InterTEKbank. The defendant explained that they returned the portfolio because Mironyuk, who signed the cession agreement, did not have the authority to do so, and the contract itself was not of commercial interest to the bank. The plaintiff declared that the certificate was a forgery, but the court found the document genuine and denied the claim.

On the appellate level the Baltiya representative stated that the court had improperly refused to send the file materials to the Moscow prosecutor's office for bringing criminal charges in connection with forgery of the certificate of transfer. According to the plaintiff's information, Galushko did not sign this document because on 17 May she was in Riga and signed 14 documents of her own bank there. Galushko herself told investigators handling the case of the Baltiya managers that she did not sign such a document with InterTEKbank. However, the trial court held that the record of witness examination cannot be incontrovertible proof. Galushko cannot be questioned now because she is a wanted fugitive. Nonetheless, the plaintiff asked the court to exclude the certificate of transfer from the evidence. Moreover, the plaintiff petitioned that the minutes of a session of the Latvian Ministry of Finance's working commission, recently discovered by Baltiya, be added to the file. According to this document, a certain InterTEKbank employee is supposed to have stated that the loan portfolio was at his bank. He offered to return it in exchange for Latvia's payment of InterTEKbank debts to a Western partner. The Baltiya representative also asked that Mironyuk, who signed the certificate of transfer of the portfolio, be summoned as a witness.

The court denied all requests, explaining that evidence cannot be excluded from the file at the appeal level. The court refused to allow the new document in, stating that the plaintiff failed to show that it could not have been presented at the trial level. The court considered it unwise to bring in the witness because the plaintiff did not specify exactly what testimony he could give. In sum, the appeal was denied.

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International Affairs

Deployment of Peacekeepers Discussed With France, U.S.

LD1112195295 Kiev UNIAN in Ukrainian 1820 GMT 11 Dec 95

[FBIS Translated Text] Zaporozhye — Discussions with France and the United States on the possibility of financing the upkeep of the 240th Ukrainian battalion on the territory of Bosnia and Herzegovina are continuing in the former Yugoslavia, Ukraine's Defense Minister Valeriy Shmarov said at a news conference today.

According to a UNIAN correspondent, the defense minister noted that there were plans to deploy the 240th battalion in the French sector of Sarajevo under French command.

The minister said that one of the possible ways of resolving the problem of financing the Ukrainian servicemen will be to reduce its manpower to "an acceptable minimum."

Valeriy Shmarov said that Ukraine had offered an air squadron consisting of 10 heavy military transport airplanes from Melitopol to be used on the territory of Bosnia and Herzegovina. This issue should be resolved by experts from NATO, who are due to arrive in Ukraine soon.

The minister again stressed that Ukraine had expressed its desire to take part in NATO peacekeeping operations in Bosnia and Herzegovina, but without "being directly subordinated to the leadership of this alliance."

Navy To Accept Black Sea Fleet Ships From Crimean Base

LD1112201295 Kiev UNIAN in Ukrainian 1820 GMT 11 Dec 95

[FBIS Translated Text] Kiev, [no date as received] — A commission led by Rear Admiral Mykola Kostrov, Ukraine's Navy deputy commander, has begun to accept facilities, property, and armaments from individual units of the Black Sea Fleet shore defense troops, and also from the Novoozernoye and Chernomorskoye garrisons.

Oleksandr Kluban, the defense ministers's press secretary, [as received], said at a briefing today that it was planned to complete acceptance by 1 April of next year of more than 20 ships from the Black Sea Fleet base in Donuzlav, Crimea, which is to be reduced. Oleksandr Kluban noted that the Ukrainian side would accept all Black Sea Fleet facilities on condition they had been provided with fuel resources for the winter period.

Further on Progress of Nuclear Disarmament

LD1112211295 Moscow INTERFAX in English 1720 GMT 11 Dec 95

[FBIS Transcribed Text] KIEV, Dec 11 (Interfax - Ukraine) — Some 90 percent of Ukraine's nuclear arms have been dismantled, warheads separated from boosters, the head of the center for administrative management of Ukraine's nuclear forces, Colonel Oleksandr Serdyuk, told a briefing in Kiev 11 December.

"Ukraine has fully met its 1995 nuclear disarmament plan," he added. "The next missile will be taken off duty next April," he added.

Serdyuk declined to name the exact number of Ukraine's nuclear arms already dismantled, saying 46 SS-24 missiles and 50 SS-19 missiles are still on duty.

Ukraine's air-to-surface nuclear missiles are "on a low level of readiness," since Ukraine does not use strategic bombers, he added.

Russian Defense Minister Pavel Grachev showed interest in purchasing 32 SS-19 missiles to launch commercial satellites and reinforce Russia's missile group at his recent talks with his Ukrainian counterpart, Valeriy Shmarov, in Sochi on November 25.

Ukraine had some 1,300 warheads for intercontinental ballistic missiles, over 600 warheads for air-to-surface cruise missiles, 130 SS-19 launchers and 46 SS-24 launchers at the start of 1994.

The republic dismantled all of its SS-24 missiles and 80 out of 130 SS-19 missiles by late October 1995, the Ukrainian Defense Ministry said. As much as 90 percent of Ukraine's nuclear arsenal is deactivated now.

Serdyuk said Ukraine had spent 2.8 trillion karbovantsy (some $16 million) on nuclear disarmament in 1995 and received over $46 million from the U.S. government for this purpose. According to the Nunn-Lugar plan, the republic is to be granted $350 million for nuclear disarmament.

Five silos will be destroyed in 1996, Serdyuk said. The Sochi talks agreed Russia will take "the remains of the training and maintenance equipment for tactical nuclear arms and strategic bombers, containing information in nuclear arms," Serdyuk added.

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Supreme Council in Controversy Over IPA Membership

LD1112194595 Moscow ITAR-TASS in English 1846 GMT 11 Dec 95

[By Mikhail Melnik and Raisa Stetsyura]

[FBIS Transcribed Text] KIEV, December 11 (Itar-Tass) — The Ukrainian parliament will not return to the debate on Ukraine's joining the CIS Inter-Parliamentary Assembly (IPA) in the remaining weeks of the year.

A broad membership meeting of the parliament presidium at its today's meeting decided to send a parliamentary delegation to St. Petersburg, the seat of the IPA, to attend as observers meetings of IPA organised crime and law commissions.

This brings a palliation to the long-standing bitter controversy in the Ukrainian parliament over its membership of the IPA.

The latest debate on this issue was aborted last week, for another time, by national-democrats who argued that Ukraine's membership of the IPA may be considered only after Russia elects a new State Duma on December 17.

It is uncertain who takes the helm in Russia, the nationalist factions said. If it is Zhirinovskiy, Ukraine will face becoming a colony, and this spells loss of sovereignty, the nationalists warned.

Leftist factions called them "narrow-browed" and refused to handle any item on the agenda but the membership issue.

In a way of revenge the left-wing part of the parliament promised to take "an adequate stance" on other disputable matters.

The leader of Ukrainian communists, Petr Simonenko, told Itar-Tass that the leftist factions would oppose the six percent budget deficit target on the grounds that this would entail Ukraine's need for one billion dollars in new loans.

Defense Minister Leads Delegation to Hungary

LD1212110695 Kiev UNIAN in Ukrainian 0945 GMT 12 Dec 95

[FBIS Translated Text] Kiev — A military delegation, led by Ukrainian Defense Minister Valeriy Shmarov, left on a two-day official visit to Hungary on 12 December.

The UNIAN news agency learned at the Defense Ministry press office that in the course of the visit Valeriy Shmarov is to meet with representatives from Hungary's military department, government, and parliament.

The Ukrainian military delegation's program envisages the discussion of bilateral cooperation between the two countries' military departments, in particular, in the military-technical field, military training, medical provision, and cooperation within the Partnership for Peace program.

Problems of security in the region and in Europe will also be discussed. The Ukrainian military delegation will visit the Hungarian army's defense industry enterprises.

It is expected that the visit will end with the signing of Ukrainian-Hungarian documents, determining the prospects for bilateral cooperation between the two countries' defense ministries for next year.

National Affairs

Kuchma Opens 'Center for Interstate Settlements'

LD1112193795 Kiev UNIAN in Ukrainian 1820 GMT 11 Dec 95

[FBIS Translated Text] Kiev [no dateline as received] — The opening of the Center for Interstate Settlements is a great step forward in the arrangement between the National Bank of Ukraine and commercial banks, Ukrainian President Leonid Kuchma announced today during the center's opening. Commenting on this event, National Bank chairman Viktor Yushchenko said at a news conference on the same day that the Center of Interstate Settlements was capable of servicing about 50 million documents every year. The center's daily cash turnover amounts to 152,000 billion karbovantsi. Yushchenko added that, based on last year's results, "this system has resulted in the biggest economic effect."

During the presentation of the secondary securities market, Viktor Yushchenko said: "Banks that have state securities in their portfolios are guaranteed access to the primary refinancing market."

Because of the formation of a state securities market in Ukraine, it is expected that the state will attract a net amount of 150,000 billion karbovantsi or 333,000 billion karbovantsi gross to the state budget.

Kuchma Discusses Cooperation With Diaspora Leaders

WS1212113695 Kiev UKRINFORM in English 0920 GMT 12 Dec 95

[From the "Current Events" feature]

[FBIS Transcribed Text] On Monday, December 11 President Leonid Kuchma met in Kiev with president of

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the World Congress of Ukrainians Dmytro Tsipivnyk, the organization's secretary-general Yaroslav Sokolyk, president of the Ukrainian Congress Committee in the USA Askold Lozynskyy, and chairman of the Ukrainian World Coordinating Council Ivan Drach at their request.

During the friendly talk a wide range of issues were raised related to improving the Ukrainian Diaspora's work. As it was noted, Mr. Kuchma's relations with the Western Ukrainian Diaspora have been developing successfully, this could not be said about its relations with the Eastern CIS Ukrainian Diaspora. Mr. Drach read out an appeal by the Ukrainian World Coordinating Committee, which was adopted during the latter's December 8/10 session in Kiev and which calls for the Ukrainian leadership's more active efforts to radically improve and intensify Ukraine's ties with its Eastern Diaspora.

Speaking in an interview to UKRINFORM's correspondent immediately after the meeting, Ivan Drach said that the Ukrainian Congress delegation had urged a search for efficient patterns and forms of Ukraine's relations with the Diaspora with a view of joining efforts to reform the nation and build a really sovereign and independent Ukraine.

Shmarov: 'Military Doctrine Could Be Improved'

LD1112200995 Kiev UNIAN in Ukrainian 1820 GMT 11 Dec 95

[FBIS Translated Text] Zaporozhye — There is not a single reason for a radical alteration of Ukraine's military doctrine, Ukrainian Defense Minister Valeriy Shmarov told UNIAN, commenting on remarks by some politicians on the expediency of reviewing or adjusting it in view of recent world events. The minister emphasized that "there is no necessity for changes in Ukraine's political behavior," but observed that "the military doctrine could be improved." The point of the improvement could be, Valeriy Shmarov said, "to achieve that form of the state, which was laid down in the first years of independence."

Reporting on his visit to Zaporozhye, the minister stressed that a field session Of the Defense Ministry Collegium had examined ways of resolving the army problem of territory. "The main thing in this," he believes, "is to find a common language with the local authorities and to establish a regime of mutual understanding."

Moroz on Importance of Adopting Crimean Consitution

LD1112200295 Kiev Radio Ukraine World Service in Ukrainian 1900 GMT 11 Dec 95

[FBIS Translated Text] It is impossible for the Crimean constitution not to be adopted, said Ukrainian Supreme Council Chairman Oleksandr Moroz when this draft document was being discussed at a sitting of the Supreme Council presidium sitting. If the process of examining the Crimean draft constitution, which has been passed to the country's highest legislative body for approval, does not proceed, this will become a new destabilizing factor in both the Crimean and Ukrainian parliaments, he believes. Moroz proposed that the coordination of the Crimean draft basic law with the state's legislation be speeded up and it be passed to the Ukrainian Supreme Council for examination.

Franchuk Elected to Ukrainian Supreme Council

LD1112132195 Moscow ITAR-TASS in English 1224 GMT 11 Dec 95

[By Lev Ryabchikov]

[FBIS Transcribed Text] SIMFEROPOL, December 11 (Itar-Tass) — Crimean Prime Minister Anatoliy Franchuk has won at elections to the Ukrainian parliament on Sunday with a broad margin of 73 per cent despite a no-confidence vote passed by the Crimean parliament in its Prime Minister last Friday.

The Central Electoral Commission reported that almost 73 per cent of all residents of the city of Kerch on the Black sea coast had cast their ballot papers in Franchuk's favour.

His son, Igor Franchuk, who stood for the Ukrainian parliament from the Yalta constituency, has also won a lawmaker's mandate by a majority of 63 per cent.

In other Crimean constituencies, two candidates were elected who will contest Ukrainian parliamentary mandates in the second round of the polls. The elections to the Ukrainian parliament were held in two constituencies in Sevastopol.

Interior Ministry Official Defends Expenditure

LD1212114795 Kiev UNIAN in Ukrainian 0945 GMT 12 Dec 95

[FBIS Translated Text] Kiev — In an interview with the UNIAN news agency, Ukraine's First Deputy Interior Minister Leonid Borodych has described the appearance of articles by Ukrainian people's deputy Volodymyr Shevchenko in some of the mass media as an attempt

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to cause trouble between the Ukrainian power-wielding ministries.

In particular, commenting on Volodymyr Shevchenko's assertion that the Internal Affairs Ministry has double the personnel the Ukrainian armed forces have, Leonid Borodych recalled that the Ukrainian budget for 1995 allocated 48.8 trillion karbovantsi, or 2.6 percent of budgetary expenditure, on maintaining the Internal Affairs Ministry, and 93 trillion karbovantsi, or approximately five percent of the budget, on maintaining the Defense Ministry.

"According to our calculations, the Internal Affairs Ministry's needs in the current year came to 118 trillion, while the budget envisages only 40 percent of the ministry's required funding, of which there is currently a shortfall of 5.5 trillion karbovantsi," Leonid Borodych said.

As a result, the internal affairs bodies are at present provided with 67 percent of the weapons requirement, 52 percent of the ammunition requirement, 26 percent of armored and active defense requirements, 57 percent of the requirement for means of communication, 41 percent of kit requirements, and 21 percent of the requirement for fuel and lubricants.

Expert Cited on West's Plans for Chernobyl

MK0912134395 Moscow OBSHCHAYA GAZETA in Russian
No. 49/125, 7-13 Dec 95 (Signed to press 6 Dec 95) p 2

[Report by Arkadiy Romm from Odesa: "Nuclear Power Plant Is No Hindrance to Ukraine"]

[FBIS Translated Text] A competition among developers of a new sarcophagus for the notorious [fourth] power-generating unit was held at the Chernobyl Nuclear Power Plant [NPP]. The new protective complex is supposed to improve the radiation situation around the NPP.

"This, of course, is not going to remove danger altogether," anticipated my question Serhey Viktorovich Barbashev, executive secretary of the Ukrainian Nuclear Society. "But we will be able to live in peace for at least fifty years and find a way to protect the future generations."

In the meantime, the Chernobyl NPP is operating. It generated, over the first nine months of this year, 9 billion kwh of electric power — more than any NPP not only in Ukraine but in Russia as well.

There has occurred only one minor incident at the NPP this year, but it causes no worry. The protection is reliable.

"Of course, there is an increased radiation level near the Chernobyl plant, but it has no impact beyond the 5-km security zone. Today Chernigov, Kiev, and many other towns and villages are out of danger," says Serhey Barbashev. "Ukraine is not rich and extravagant enough to shut down just like that a power plant that generates energy worth $300 million annually."

In Serhey Barbashev's view, the closing of the Chernobyl NPP is not so much a technical as a political affair. He sees here the West's desire to win the Ukrainian energy market.

Plans call for creating in Ukraine a closed nuclear fuel cycle — from the mining of uranium ore to the final processing of spent fuel. This will take ten years and will cost $10 billion.

This option is also supported by the prospected uranium reserves. These will last for a hundred years of nuclear plants' operation. As for zirconium (an important fissile material component), its resources will be sufficient not only for Ukraine but also for the Commonwealth member countries. Ukraine is the monopolist here.

Economic Issues

INTELNEWS Interviews Finance Minister

WS1112131595 Kiev INTELNEWS in English 0806 GMT 11 Dec 95

[Interview with Finance Minister Petro Hermanchuk, by Andriy Yevtushenko, from the "Economic Review" feature; place and date not given]

[FBIS Transcribed Text] Economic Review recently talked to Finance Minister Petro Hermanchuk and asked what progress is being made to stabilize the economy. By working to improve state budget processes, government officials said they hope to control inflation by reducing deficits, and transition from subsidizing producers to aiding consumers.

[ER] How is the Finance Ministry working to improve the economy?

[Hermanchuk] Economic stabilization begins with financial stabilization. Without financial stabilization it is impossible to cease the decline in production, increase the level of the population's income, and revive investment activities. The questions of government financial activities occupy a worthy place within the draft program of the Cabinet of Ministers' activities in 1995 and 1996.

[ER] Roller coaster inflation, inflation that drops and then rises with a new power, is one of the main symptoms of economic instability. What do you think about it?

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[Hermanchuk] One of the main reasons for inflation is the deficit of the state budget. That is why the government will pay special attention to reducing budget expenditure.

We plan to reduce budgetary subsidies and make transition from subsidizing the producers to subsidizing consumers. We are going further by reforming social services, including municipal services. The budget subsidies are to be changed into citizens' cash income. We are revising the scope and structure of social-cultural establishments to increase the part of out-of-budget sources to finance them. Appropriations for capital construction are reduced by selling incomplete construction projects, as well as by selling project shares and bonds, and by credits. We need to revise programs and projects that aren't supported with real sources of financing. The state expenditure is concentrated on priorities of development of the national economy.

The social infrastructure supported by enterprises and organizations are to be transferred to the property of local authorities and commercial structures.

[ER] Financiers, economists and bankers often use the term "budget relations." What does that mean in Ukraine?

[Hermanchuk] The program foresees deepening reform in budget relations between central and regional governments.

The recently approved law on Ukraine's budgetary system addresses this. The law doesn't solve all the questions of distributing money between central, regional and local governments, but all those questions can't be solved by only one legislative act. Moreover, the law merely revised the previous law on the budgetary systems that Ukraine adopted as a Soviet Socialist Republic.

The process of decentralization of state finances is very complicated and rather long. Even in the countries with developed economies and stable political systems, this process lasts more than a year. Artificial acceleration can turn fiscal federalism into fiscal separatism. And it's difficult to foresee the consequences.

The existing four-step system of forming the budget is not purely an economic problem. The budget system depends on state, regional and municipal administrative systems regulated by proper constitutional laws. To introduce a three-step principle of budgeting, the three-step principle of authorities needs to be introduced.

The term "remuneration of regions" means the remuneration of regional budgets, because financial resources of regions are formed not only from the local government revenues, but also from financial resources of enterprises, state revenue, and other sources.

According to the law, the balance of regional financial resources has to reflect its real income and provide the basis regarding social justice in fairly establishing state taxes, subsidies and fees among regions.

[ER] What is the situation within the Ukrainian securities market?

[Hermanchuk] From the very beginning of economic reforms in Ukraine, the government tried to eliminate the influence of the budget deficit on inflation and other economic processes. Covering the budget deficit with credits from the National Bank of Ukraine didn't promote the stabilization of the karbovanets. Only curbing of inflation created real conditions to unfold the program of issuing and gradually increasing state securities.

Today, the state securities are placed at auction every week. More than KBV 156 trillion state bonds are placed at the auction. By the end of the year we plan to cover KBV 26 trillion of the unified budget with state securities.

Step-by-step expenses to service state bonds were dropped from 146-percent yearly interest at the first auction down to 71.2 percent interest at the auction September 26.

According to calculations, next year we can anticipate the deficit debt service to KBV 150 trillion, that is 33.3 percent of the budget deficit and 2 percent of gross domestic product. To service the debt, the volume of auction trade operations have to be increased by six times. Then by the end of 1996 the amount of state securities will make a total of 4.7 percent of forecast GDP.

This is very complicated task, but it's almost possible to perform it. Measures to make the secondary market of state securities more brisk were discussed at a recent government meeting.

Selling additional state securities will be through NBU closed auctions. The Finance Ministry's attention will be focused on gradually increasing the volume of securities, as well as stabilizing the value. The Finance Ministry will prevent sharp disparities of their profitability by the auctions results.

[ER] What would you say about budget policy? Are there some new measures to be approved?

[Hermanchuk] The range of program statements in this field are already being realized. Particularly, the government considered forecasts of Ukraine's draft

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unified budget for 1996. We made a comprehensive decision to balance the state's income and expenditure and to carry out some 30 concrete measures.

Developing a new budget classification will ensure national and international comparability of budget data and summarize state expenditures on all power levels.

We are creating the state treasury and the budget bank. That will give the possibility to accumulate budget money in one bank having a broad network from center to districts. In addition to this, the treasury will supervise the state budget, controlling its present funds, financing expenditures, controlling bookkeeping operations, and preparing financial reports.

[ER] What plans are there for the government financial system?

[Hermanchuk] The government will make the system of taxation more simple and stable, as well as shift taxes to production sectors. The share of indirect taxes, value-added taxes, and excise duties will be reduced. We will start imposing taxes on corporate income based on tax declarations.

Regarding government revenues, Ukraine's unified budget for 1996 is based on the current tax system and the basic directions of fiscal policy for 1996 being considered by Parliament. According to preliminary calculations, re-dividing of GDP through the income part of the budget will not exceed 47 percent of GDP, and that is foreseen as the main directions of the fiscal policy for 1996 according to the budget resolution. The president and government eliminated almost all fiscal privileges provided to some economic subjects during recent years.

In spite of the difficult financial situation in Ukraine, the government is striving for the course of deep reform of the financial system that was clearly outlined in the president's October speech.

Program To Upgrade Hydroelectric Plants Cited

WS1212113495 Kiev UKRINFORM in English 0810 GMT 12 Dec 95

[From the "Business News Weekly" feature No. 49, 4-10 December 1995]

[FBIS Transcribed Text] In mid-December, the Ukrainian Energy Ministry is to announce a tender for delivery of equipment with which to implement a project for "modernization of hydroelectric power stations and improvement of supervisory control in the unified Ukrainian energy system."

The project was jointly developed by the Ukrainian Energy Ministry, the World Bank (which provided funds in the amount of approximately 10 million dollars), Canada's Hydro-Quebec International Inc. (1.8 million dollars), and Switzerland's SGJ (12 million dollars).

The project stipulates that, by the year 2000, reconstruction projects will have been implemented at the Dniester hydroelectric power station and at 8 of the 20 hydroelectric power stations currently operating on the Dnieper falls.

The cost of the entire reconstruction project is about 200 million dollars, out of which 114 million dollars will be provided through World Bank credits.

In keeping with the existing practice, the credit agreement must be ratified by the Ukrainian parliament. The Ukrainian National Supervisory Control Center and the state-owned Dnieprhidroenerho will receive the credits through the Ukrainian Finance Ministry.

It has already been decided that Swiss firms will compete (with SGJ as mediator) for the right to supply the necessary equipment. The Ukrainian Energy Ministry plans to purchase generators from the Kharkov-based factory Elekrotyazhmash, turbines from Kharkov-based Turboatom, and transformers from the Zaporizhzhya transformer factory. The Ukrainian enterprises will be granted certain privileges.

State Grain Contract Faces Difficulties

WS1212113595 Kiev UKRINFORM in English 0810 GMT 12 Dec 95

[From the "Business News Weekly" feature No. 49, 4-10 December 1995]

[FBIS Transcribed Text] According to Ukraine's Deputy Food and Agriculture Minister Volodymyr Semenyuk, difficulties may be experienced during the implementation of the state contract for grains (9 million tonnes) due to lack of the required funds.

According to information from the Main Department for Grain Purchases, 5,300,000 tonnes of grains have been purchased under the state contract. Out of this, 500,000 tonnes have not yet been paid for. Farms have delivered about 1,200,000 tonnes of grains for storage in state-owned grain elevators.

The maximum requirement for bread grains from this year's harvest is estimated at 5,500,000 tonnes. Specialists say about 30 trillion karbovantsi will be required for implementation of the state contract.

In November, 1.5 trillion karbovantsi (from the state budget) and 8 trillion karbovantsi (from credits obtained from non-state-owned banks) were spent on purchase of grains.

At present, the selling prices of wheat are fluctuating at averages of 16.5 million karbovantsi per tonne (class IV) and 22.4 million karbovanets per tonne (class III).

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Belarus

Russia's Grachev Signs Military Cooperation Pacts

MM1212090195 Moscow KRASNAYA ZVEZDA in Russian 10 Dec 95 p 1

[Report by Aleksandr Pelts and Valeriy Kovalev: "Russia-Belarus: Military Cooperation Attains New Qualitative Level"]

[FBIS Translated Text] At the final plenary session in Minsk the Russian and Belarusian military delegations signed a number of documents raising military cooperation between the two Slav states with common interests to a qualitatively new level. It is primarily a question of organizing cooperation between the Defense Ministries in the sphere of joint regional strategic planning within the framework of the Collective Security Treaty. The main avenues of Russian-Belarusian military-technical cooperation on a mutually beneficial basis have been defined. It is also intended to conclude a number of direct contracts between defense industry enterprises to supply, repair, and service military equipment, conduct the joint work of recycling munitions unfit for combat use, and also resolve the problem of the debts between the Russian and Belarusian Defense Ministries for repairs of arms and military equipment. The question of military cadre training was also discussed during the meeting. In addition, it proved possible with the participation of the commanders in chief of branches of the Russian Armed Forces to agree the procedure for the withdrawal of Russian Federation strategic offensive arms from Belarusian territory. In this case it is a question of the future of the aircraft and aviation weapons left near the city of Bykhov following the breakup of the Soviet Union.

The decision on joint combat alert duty to guard Russia's and Belarus's air borders was an important element in the further deepening of cooperation between the two military departments. A separate protocol stipulates their intentions as regards the joint use of regional groups of forces and the use of the Belarusian infrastructure in the interests of the Russian Federation Armed Forces.

As KRASNAYA ZVEZDA has already reported, during his official visit Defense Minister Army General Pavel Grachev met with Belarusian President Alyaksandr Lukashenka. During a friendly earnest conversation approval was voiced for the nature and content of the talks. Alyaksandr Lukashenka noted in particular that we have no reasons "for any difficulties when it comes to resolving all matters pertaining to military and military-technical cooperation. The main thing is to ensure that these relations fit into the framework of the Collective Security Treaty. We have decided to cooperate and cooperate very seriously!" By and large the Russian defense minister's working visit to Belarus can be described as another significant step in the development of bilateral relations, not just military relations. In particular, a protocol of intent prepared for signing in the sphere of coordinated regional security within the framework of the Collective Security Treaty, which the two heads of state intend to sign in the near future, opens up new opportunities for cooperation. But now, as the delegation members pointed out, many complex issues have been resolved with the help of good personal relations and a desire to find a solution to the accumulated problems come what may.

During his working visit Russian Defense Minister Army Gen. Pavel Grachev, at the invitation of Belarusian Defense Minister Lieutenant General Leanid Maltsaw, visited the Brest Fortress memorial complex and one of the mobile deployment brigades recently organized in Belarus. Pavel Grachev voiced a high opinion of the brigade personnel's training, he studied their organizational staff structure, and noted that their Belarusian colleagues' experience is of undoubted interest to Russia.

Joint Arms Trade Seen Underlying Visit

WS1212104195 Minsk BTK Television Network in Belarusian 1900 GMT 10 Dec 95

[From the "Rezanans" program; presented by Alyaksandr Zimowski]

[FBIS Translated Text] On 8 December, Russian Defense Minister Pavel Grachev arrived in Minsk. His visit lasted two days and, according to the official announcement, the sides discussed issues related to military and technical cooperation. Pavel Grachev visited the president, met with the prime minister, and discussed cooperation issues with his Belarusian counterpart Leanid Maltsaw. But what is behind the oblique wording of the communique and routine questions asked at the press conference? Everything is clear about cooperation and allied commitments, and no one challenges them. On the other hand, many observers and strategists watching the process of Russian-Belarusian integration are worried about one question: Against whom is your friendship aimed?

[Unidentified correspondent] The main topics discussed at the meeting of Russian Defense Minister Pavel Grachev with Belarusian President Alyaksandr Lukashenka was military and technical cooperation of the two states as part of the collective security agreement. It is understandable that Russia is interested in having closer military ties with CIS countries. Even more so since the Warsaw Pact no longer exists. This is why the following question is only natural:

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[Correspondent] Did you discuss what kind of collective security system should be in the region that is called, according to NATO classification, the Central European theater of war?

[Lukashenka] What kind of defense should there be?

[Correspondent] What kind of collective security system should replace the Warsaw Pact?

[Begin recording] [Lukashenka] [I will answer] in general terms. We did not touch upon these issues. We are mainly interested in issues connected with Belarusian-Russian relations, including the collective security as part of the collective security treaty. But even if we strayed from this topic during our talks, it was only a general discussion. We should thank God if we can at first create a system for our relations. Next, we will see what the future holds for us. [end recording]

[Grachev, jokingly] You are now getting into the big strategy. [audience laughs] You are running ahead of all politicians. [end recording]

After the collapse of the USSR, the world found itself encountering a unique phenomenon. The country disappeared from the geopolitical area, with independent states rising up from the debris. However, the Army on the territory of this country has retained its unity, at least the unity of interests. Throughout the former Soviet Union territory, the Army, as the only coherent and hierarchically organized structure, not only has survived the country's demise, but it also has become, in fact, an independent political force pursuing its own interests. In addition to those interests, based on the common miserable situation of officers and the loss of the high status enjoyed by former Soviet servicemen, the Army, at least its leadership, is united by the desire to participate or even control the lucrative business of arms trade. Incidentally, this could secure additional funds to improve its condition.

Arms trade is a complex process, and it should take into consideration the buyer's mentality. No one will buy weapons that are no longer in official use in the selling country's Army. This means that such weapons will not be modernized or upgraded. None of the serious clients will deal with small intermediaries. Most of the developed states have an efficient system of state control and influence. In France, for example, there are relevant institutions, subordinated to the Defense Ministry, which act as a middleman on behalf of the state. In the United States, the Defense Department directly participates in export transactions. The only profound difference between the above examples and our situation is that the United States, France, and other highly developed states have companies capable of filling the full range of state orders for arms systems. Obviously, the intention of Belarus and Russia to resume the military and technical cooperation is prompted by the need to set up such companies, also at the state level.

Lukashenka Meetings With U.S. Businessmen Reported

WS1112145095 Minsk ZVYAZDA in Belarusian 6 Dec 95 p 1

[Report by Mikhail Zhuravovich: "Alyaksandr Lukashenka: Now Everything Depends on Investors' Willingness"]

[FBIS Translated Text] The dialogue which Belarusian President Alyaksandr Lukashenka initiated with U.S. businessmen in the course of his visit to the United States continues on Belarusian territory. On 4 December, President Lukashenka met Harvey M. Hament, president of the U.S. "Harco International Inc." company and his wife Gizela Tenzer, who arrived in Minsk. He also met David H. Kelen, president of the "Holiday Inn Development" corporation.

In the course of the meeting a frank discussion was held on further development of cooperation in various areas of activities. The state's leader informed his guests that after his return from overseas the program of the implementation of agreements reached with U.S. businessmen had been developed in Belarus. People from governmental ranks had also been nominated, responsible for the implementation of each specific clause of the agreements. Therefore, at the moment everything depends on the investors. After all, quite a lot has been done in Belarus for those who are vitally interested in increasing Belarusian production. In addition, it is profitable for both sides. Lukashenka underlined that "also your eagerness to improve Belarusian-U.S. relations became sort of a catalyst for attracting foreign capital. We are ready to offer good material for cooperation."

The president also mentioned the fact that Mr. Harvey M. Hament had done quite a lot at a certain time with regard to normalizing relations between the USSR and the United States. He is known in Belarus not only as a good businessmen but also as an outstanding politician and diplomat. The guest expressed his gratitude for the acknowledgment of his activities, and at the same time he remarked that in Belarus he feels as comfortable as at home. His current visit is not completed yet, however he already expressed the wish to come again to the Republic to help as much as possible in establishing its sovereignty. The more so since he has not had any problems during the current visit. In his opinion, signs of friendliness and interest in mutual relations are visible everywhere.

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Many meetings and negotiations were held at various ministries, departments, Minsk Oblast and City Executive Committees, in Brest Oblast, as well as at industrial enterprises. The guest was particularly impressed by the Minsk-based tractor factory. While being an exclusive distributor of the U.S. renowned "Case" company which produces road and other equipment, Mr. Harvey M. Hament said that he used to deal with these kinds of products earlier. The state leader responded to this by saying that Belarus is interested in developing the Minsk-based tractor factory. When "we have general points of contiguity we will be ready to offer great possibilities for cooperation with this company." We have built a very good plowing tractor in the Republic, which is unique in post-Soviet states. In addition, Southeast Asian states are very interested in this kind of tractor. We have signed a profitable contract for deliveries of tractors to Pakistan, India, and other countries. Our tractor named "Belarus" is very well-known in the United States, too. Alyaksandr Lukashenka underlined that "when the quality of products is improved to meet world standards, mutually profitable cooperation will produce wonderful results."

David H. Kelen, president of the "Holiday Inn Development" corporation pointed out that as a start he plans to build three hotels in Belarus — two in Minsk and one in Brest. Each of them is planned for 80-120 guests, and will offer a bar, a restaurant, conference rooms and other services. It will train personnel to render high quality service. It will use the local work force at construction sites and, when possible, use components produced by the Belarusian construction industry.

Alyaksandr Lukashenka thanked the U.S. businessmen for striving to help stabilize Belarusian economy through investments, and underscored that he is going to fully support the cooperation projects.

Reportage on 10 Dec Parliamentary By-Elections

BELAPAN Provides Election Details

WS1112160095 Minsk BELAPAN in English 1502 GMT 11 Dec 95

[FBIS Transcribed Text] According to preliminary data received from the Central Electoral Committee, 52.4 percent (1,856,738 people out of 3,545,077) of the registered voters took part in the December 10 round of the parliamentary by-elections in the country on the average. The greatest number of voters showed up at polling stations in the Mahilyow region — 57.8 percent (237,469 out of 410,542). In this region voter turnout was over 50 percent in 13 out of 14 constituencies. In the Brest region 56.7 percent of the registered voters (276,701 out of 488,010) took part in the poll on the average, the 50-percent voter attendance limit was topped in 13 constituencies out of 16; in the Homel region — 56.4 percent (225,913 out of 400,371), 11 constituencies out of 14; in the Minsk region 54.5 percent (213,435 out of 391,295), 11 out of 14; in the Hrodna region — 48.6 percent (170,149 out of 349,806), 5 out of 11. The poorest voter activity was observed in the Vitsebsk region — 48.2 percent (162,093 out of 336,556), 7 out of 11. In the city of Minsk 48.9 percent of the registered voters (570,978 out of 1,168,497) took part in the poll. Voter turnout was over 50 percent in 16 out of 39 constituencies. Thus the 50-percent voter attendance limit was topped in 76 constituencies.

According to preliminary data received by 10.00 am, in 17 constituencies in which voter turnout was over 50 percent no candidates received over 50 percent of the votes of those who took part in the poll. In the Brest region there were 5 such constituencies, in the Mahilyow region — 4, in the Homel region — 3, in the Vitsebsk region — 2, in the Hrodna and Minsk regions and the city of Minsk — 1 each. In particular, in Starazhowski constituency No. 259 neither Alyaksandr Byalyatski, a member of the Belarusian Popular Front, nor Yuryy Marozaw, a member of the United Civic Party, collected over 50 percent of the votes. Thus on December 10 1995 59 MPs of the 13th convocation were elected. The total number of MPs elected as a result of the election campaign of 1995 amounted to 198 people. It will be recalled that in order to reach a quorum it was sufficient for Parliament to have 174 MPs.

According to preliminary data, 15 MPs were elected in the Belarusian capital. Among them are Vasil Khrol, a member of the Party of People's Concord and the president of the Belarusian Association "Real Estate," Stanislaw Bahdankevich, the chairman of the United Civic Party and the former chairman of the National Bank; Anatol Tsyutsyunow, an independent candidate and the president of the joint-stock company "Keramin," Lyudmila Hryaznova, a member of the Political Executive Committee of the United Civic Party and a senior lecturer at the Belarusian State University; Uladzimir Alyaksandrovich, a member of the Belarusian Social and Sports Party and the president of the International Professional Sports League; Volha Abramava, an independent candidate and the director of the National Centre of Strategic Initiatives "East-West"; Andrey Klimaw, an independent candidate and the director of a private company; Viktar Tsyareshchanka, the chairman of the Belarusian Popular Party and the general director of the International Management Institute "MIM-Belarus"; Viktar Hanchar, a member of the Political Executive Committee of the United Civic Party and the general

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secretary of the CIS Economic Court; Syarhey Kalyakin, a leader of the Party of Communists and the chairman of a Minsk-based district Soviet of Deputies; Henadz Karpenka, a member of the Political Executive Committee of the United Civic Party and the head of a department of the International Academy of Sciences "Europe-Asia"; Vasil Shlyndzikaw, the deputy chairman of the United Civic Party and the president of the "Amkador" concern; Leanid Radkevich, an independent candidate, a member of the Supreme Soviet of the 12th convocation and the chairman of a Minsk-based district Soviet of Deputies; Stanislaw Shushkevich, an independent candidate, the former chairman of the Supreme Soviet and the present director of the Centre of Political and Economic Research; and Pavel Daneyka, a member of the Political Executive Committee of the United Civic Party and the vice-president of the Privatisation and Management Institute.

In the Minsk region the second round resulted in the election [of] 10 MPs. Among them is the former foreign minister and a member of the Belarusian Social-Democratic Hramada, Pyotr Kravchanka. In the Mahilyow region 9 MPs were elected on December 10; in the Brest region — 8. In the Homel region among the 8 MPs who were elected MPs as a result of the second round is Alyaksandr Bukhvostaw, the leader of the Belarusian Labour Party and the chairman of the Republican Trade Union of Motor-Car Construction and Agricultural Machine-Building Workers. In the Vitsebsk region the second round resulted in the election of 5 MPs; in the Hrodna region — 4. According to preliminary data about professions, among the 198 elected MPs there are 63 employees of state government bodies, 38 people engaged in agriculture, 35 in industry, and 22 lawyers.

Preliminary data about the party membership of elected MPs:

Parties	elected	May	Nov 29	Dec 10	Total Percentage
The Party of Communists	27	5	10	42	21.2
The Agrarian Party	30	3	-	33	16.7
The United Civic Party	1	1	7	9	4.5
The Party of People's Concord	3	-	5	8	4.0
The Party of All-Belarusian Unity and Concord	-	-	2	2	1.0
The Belarusian Social Democratic Hramada	1	-	1	2	1.0
The Belarusian Patriotic Movement	1	-	-	1	0.5
The Belarusian Party of the Green	1	-	-	1	0.5
The Republican Party of Labour and Justice	1	-	-	1	0.5
The Belarusian Peasants Party	1	-	-	1	0.5
The Belarusian Popular Party	-	-	1	1	0.5

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Parties	elected	May	Nov 29	Dec 10	Total Percentage
The Belarusian Social and Sports Party	-	-	1	1	0.5
The Ecological Party	-	-	1	1	0.5

None of the candidates who had been nominated by the Belarusian Popular Front was elected. 95 independent candidates were elected to Parliament. They make up about 48 percent of the total number of MPs.

Lukashenka at Polling Station

WS1112161695 Minsk BTK Television Network in Belarusian 1900 GMT 10 Dec 95

[Unattributed report; President Lukashenka and reporters speak in Russian]

[FBIS Translated Text] In the second half of the day on 10 December, Belarusian President Alyaksandr Lukashenka visited the Masherovskiy District polling station No. 261 to perform his civic duty. After casting his vote, the president agreed to answer questions asked by Russian Public Television, the Television News Agency, and Russian Radio.

[Unidentified reporter] Will your belief that the Republic needs strong presidential power not prevent you from building relations with the legislature, provided it is elected, on a good constructive basis.

[Lukashenka] First, we have elected a passive legislature. I have said this twice. Do not ask me for the third time. As for the establishment of relations, a strong president can build relations with the legislature. The legislature, too, will become strong then.

[Unidentified reporter] Direct presidential rule is currently associated with dictatorship. Could you comment on this?

[Lukashenka] It is you who associate it. I do not associate it with any dictatorship and there is nothing to comment on.

[Reporter] If 35 deputies are not elected in the by-elections, what will be your next actions?

[Lukashenka] We have the legislature. What actions are you talking about? The actions will be the same as they were until today. We have many problems which we have to resolve together with the legislature elected by the people. Why ask questions? I should have brought the Constitution here. We would have opened it and read together everything that is written there. However, you, too probably know it well, as well as you know what happened after the Constitution was passed.

[Reporter] What are your wishes to the new group of deputies, which I hope was elected today. What would you tell them as president and as a citizen?

[Lukashenka] As president, I will speak at the first organizational session. As citizen, I want to say that the deputies should keep the promises they made to the people.

Lukashenka: People Reaffirm Commitments

LD1112190695 Moscow ITAR-TASS in English 1845 GMT 11 Dec 95

[By Larisa Klyuchnikova]

[FBIS Transcribed Text] MINSK, December 11 (Itar-Tass) — Belarus at last has a new adequate parliament, Central Electoral Commission Chairman Alyaksandr Abramovich said at a news conference today.

He cited preliminary figures of December 10 as indicating that 59 deputies have been elected to the Belarusian Supreme Council, or parliament, to increase its membership to 198. For the parliament to be valid, 174 seats must be filled.

Forty-two seats in the multi-party parliament belong to Communists, 33 to the Agrarian Party, eight to the Party of Popular Accord, with other parties trailing with five to one seats. Ninety- six deputies, or 48 per cent, have no party affiliations.

Parliament seats have been won in the Sunday runoffs by former foreign minister Petr Kravchenko, former Central Bank Governor Stanislaw Bogdankevich and ex-speaker of parliament Stanislaw Shushkevich.

The elections were valid in 76 of 119 constituencies.

The new parliament is to meet on January 3.

Beylorussian President Alyaksandr Lukashenka in an address to the nation today thanked electorates for active participation in the Sunday elections. He said Belarus's citizens had shown civilian maturity and an understanding of values of democracy.

He described the results of the elections as an indication that the people of Belarus remains committed to the stance which it expressed in the 1994 presidential election and in the 1995 referendum which returned

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Soviet-era symbols and conferred to Russian the status of Belarus' second state language.

Lukashenka promised cooperation of the executive with the new parliament.

Lukashenka Address to Nation

WS1212094695 Minsk Radio Minsk Network in Belarusian 0800 GMT 12 Dec 95

[FBIS Translated Text] On the occasion of the 10 December by-elections, Belarusian President Alyaksandr Lukashenka addressed citizens of our Republic.

An extremely important event took place in our Republic — the process of forming a Supreme Soviet invested with full power has ended, the address says. Belarusian citizens demonstrated public maturity and recognition of democratic values. The results of the vote confirm that the Belarusian people remain faithful to the ideals and opinions expressed during the 1994 presidential elections and the May 1995 referendum. The persuasive victory of forces supporting the ideals of social justice and advocating close integration of former USSR republics provides a realistic ground for business-like cooperation between the Belarusian president and the 13th Supreme Soviet, the address emphasizes.

Support by some Belarusian citizens for deputies presenting the interests of new social groups and devoted to the ideals of private entrepreneurship confirms that a new economy is actually being formed in our country. The democratic and public competition among various viewpoints in the parliamentary arena should effect the adoption of laws which will form a legal basis for the gradual development of our country. Our country's president and executive authorities will do everything to create the required conditions for the work of the Supreme Soviet and establish business-like and benevolent mutual understanding with the new Belarusian parliament.

Concluding, the president congratulated deputies to the 13th Belarusian Supreme Soviet upon their election, and expressed confidence that all of them will be guided by the interests of their voters.

Hryb: Parliamentary Crisis Over

LD1112171795 Moscow INTERFAX in English 1458 GMT 11 Dec 95

[FBIS Transcribed Text] MINSK, Dec 11 (Interfax-West) — Chairman of the old Belarussian parliament Mechyslaw Hryb told Interfax today that the new parliament's election signified the end of the eight-month parliamentary crisis in the country.

Belarus has in fact been run directly by the president since May 1995. President Alyaksandr Lukashenka did not sign bills adopted by the old parliament dismissing them as illegitimate because the old parliament's five-year term provided by the constitution expired in May. Low voter activity inhibited the election of a new parliament in May.

Hryb said that the people had realized the necessity to have a parliament and had come to the polls "despite obstacles created by some representatives of the executive power."

Hryb said he was genuinely happy about the new parliament's election. The old parliament will hand over its powers to the new Supreme Soviet at its first session, as provided for by Belarussian legislation, he said.

Hryb said an agenda for the new parliament's first session was currently being drafted. The first session will concentrate on organizational and procedural issues and is expected to take place on December 26 or January 3.

When asked if Hryb, who was elected to the new parliament, would seek the parliament's chair, Hryb said he could rule out such a possibility but added that "everything will depend on the situation and deputies' will."

Hryb said he had not big chance to head the parliament as he would have to compete for the chairmanship with well-known Belarussian politicians. Hryb also said the Belarussian president was not interested in his heading the parliament because he and the president had recently had conflicts, some of which were submitted for consideration by the Constitutional Court.

Party Chief Hopes For 'Counterbalance'

WS1212110595 Minsk MMC in English 0830 GMT 12 Dec 95

[FBIS Transcribed Text] Commenting on the second round of the parliament elections, Stanislaw Bahdankevich, the chairman of the United Civil Party (UCP) of Belarus [and former Belarusian National Bank chairman], said in an interview with an MMC correspondent, "I think that despite the flood of misinformation, libel and defamation, and the silence kept by the radio and television, the people have realized that we need a counterbalance. The United Civil Party faction already amounts to 7 people, and the country will possible give more." [sentence as received] Commenting on the parliament line-up, Mr. Bahdankevich said "It is a very complex parliament, indeed, but I hope it will be able to work professionally. It includes many people, for whom legislation is a hard business, but Moscow wasn't built at once, too." In reply to an MMC correspondent's question as to who the United Civil Party is going to co-

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operate with, Mr. Bahdankevich said "No doubt, with the agrarians, their programme is very liberal, although not very consistent. We do not refuse to co-operate with the communists. I hope that the parliament can become a counterbalance to the president." To a question as to how the president will react to the fact the parliament is elected, Mr. Bahdankevich found it difficult to reply, stating that "We will stand firm and hard for defence of rights and the Constitution."

Election Seen as Lukashenka 'Moral Fiasco'

WS1212110695 Minsk MMC in English
0830 GMT 12 Dec 95

[FBIS Transcribed Text] A press-conference of Belarusian Popular Front (BPF) leaders, dedicated to the results of the second round of the repeated parliamentary elections, was held on December 11. Despite of the fact that even the repeated elections brought no BPF representative in the 13th Supreme Soviet, the BPF leadership evaluated the results of the elections quite optimistically. In particular, commenting on the results of the electoral campaign, Zyanon Paznyak, the leader of Belarusian Popular Front, said "the elections were going on in such circumstances, when President Lukashenka witnessed his sympathy to Hitler's regime in public. To my mind, this made for the great turnout, people were frightened by the establishing a dictatorship in Belarus. I am glad, that there are healthy forces and the healthy spirit in the society. The fact, that this time the communists have got less votes, also evidences that common sense is waking up. I would like to go into detail on our strategy and policy. Before the elections we outlined the task of bringing people able to stand for the independence of Belarus into the parliament. Though, we did not manage to agree about co-ordination of activity with all the parties. The most fruitful was the co-operation with the United Civil Party (UCP). We did not put forward our candidates where they could compete UCP ones, and did our best so that our electorate supported them. It is also due to our voters, that Bahdankevich, Karpenka, or Shlydnikaw were elected to the parliament. We have no defeatist attitude. We see that the parliament is elected and will be working. The president experiences moral fiasco."

According to Vintsuk Vyachorka, the deputy chairman of the BPF, the elections results are a strong proof of the shift in the social mentality of the people, who are beginning to understand, that the country has no prospective without democracy and normal full-value functioning of all the branches of power. Vintsuk Vyachorka also said "If we interpret the results of the elections from the perspective of the BPF's political rating, it turns out that the BPF has got more points compared to the spring's electoral campaign. Our candidates were leading in many constituencies, far ahead their communists rivals, and often the results were determined by several dozens of ballots. For example, Yuryy Belenki, the deputy chairman of the BPF, was well ahead, but it was 69 votes missing, and the election was not accomplished. Other BPF members happened to be in a similar situation. Valyantsin Holubew missed 25 votes, and Miroslaw Kobasa 92."

Former Parliament Speaker Comments

WS1212113195 Minsk MMC in English
0830 GMT 12 Dec 95

[FBIS Transcribed Text] Commenting on the second round of the parliament elections, Stanislaw Shushkevich, a former spokesman for the Belarusian parliament, said in an interview with an MMC correspondent "I think that this is a stunning result for the incredibly hard conditions, under which the elections were being conducted. The unbelievable has happened, and I am very glad that common sense won, and the people came to vote. It is a very powerful support, despite the authorities' marasmic pretensions [phrasing as received] to undermine democracy; this is a resolute turn to the better." In reply to a question as to whether he is going to contest for speaker, Mr. Shushkevich said "I will be working and I am ready for any work." To a question as to whether, in his opinion, Lukashenka is going to revise the results of the elections, Mr. Shushkevich stated "You can never tell with a sick man." On the functionability of the new parliament, Mr. Shushkevich said "I used to doubt, but now I am confident that this parliament will be able to work. Part of communists have some reason, and communists are not as they used to be, nowadays."

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Kazakhstan

'Important Stage' of START I Treaty Completed

MM1212085395 Moscow KRASNAYA ZVEZDA in Russian 10 Dec 95 p 1

[Report by Anatoliy Ladin: "START I Treaty Consistently Implemented"]

[FBIS Translated Text] Almaty — Kazakhstan's mass media have circulated a statement by the republic's Foreign Ministry in connection with the completion of an important stage in the implementation of the Treaty on the Limitation of Strategic Offensive Arms (START I). Outer launch silos have been destroyed at Semipalatinsk Oblast's Zhangiztobe ICBM base.

Next additional work has to be carried out to destroy the remaining infrastructure and recycle the installations and materials suitable for further nonmilitary use. Once the outer launch silos have been blown up the personnel of the Strategic Rocket Forces units are to move from Zhangiztobe and Derzhavinsk back to the Russian Federation.

Results of Elections to Lower Chamber

LD1112172195 Moscow INTERFAX in English 1458 GMT 11 Dec 95

[FBIS Transcribed Text] ALMATY, Dec 11 (Interfax) — The Kazakh Central Electoral Commission told Interfax today that 42 out of the 67 deputies had been elected to the Kazakh parliament's lower chamber, Mazhilis, on December 9.

According to upgraded information, 24 constituencies failed to return deputies because none of the candidates there managed to canvass over 50 percent of cast votes. Run-offs between the two candidates who collected the biggest numbers of votes in these constituencies will be held later.

Elections in the Kustanai region, northern Kazakhstan, were also recognized invalid as none of the two candidates competing there overcame the 50 percent threshold. By-elections will take place there.

The date for by-elections in these constituencies will be announced later. However, by-elections will take place not later than in two months after the first round of the parliamentary elections.

For the Kazakh parliament to be legitimate, Mazhilis should have at least two thirds of deputies (45 people).

Thirty-eight out of the 40 senators were elected to the parliament's upper chamber, Senate, on December 5. Run-offs will be held in two constituencies.

Officials Discuss Repeat Elections

LD1212062895 Almaty Kazakh Television First Program Network in Russian 1500 GMT 11 Dec 95

[FBIS Translated Excerpt] Elections to the republic's parliament have been held. However, elections will continue in 24 constituencies, as repeat votes are expected there. The 42 deputies for the lower house of the parliament elected on 9 December do not make up the required two-thirds. In a word, the situation has developed in an untraditional manner, and this requires a solution. President Nazarbayev has met with Yuriy Kim, chairman of the Central Electoral Committee. [passage omitted]

[Begin recording] [Kim] We have now decided to hold a second round of voting in our republic in 24 constituencies. The repeat voting will be held on 23 December this year, so that parliament should be elected this year.

I think that we will hold a repeat election in only one constituency, in Kustanay region, in Rudnyy constituency. According to the law, we will hold within two months. Obviously, this will be in February, as there will be new nominations for the repeat election. That is why it will be put off for a little.

[Justice Minister Konstantin Kolpakov] Why did the president gather us at his residence, and why was the president very concerned about this question? Because the president promised earlier that there will be a parliament, and the president is primarily interested in parliament's starting work as soon as possible. It was this question - the preliminary results of the voting - that the president wanted to talk about with the chairman of the Central Electoral Committee and the other relevant people. All of this was done, again from the point of view of the president's strong desire that parliament should start work as soon as possible. [end recording]

Tajikistan

Opposition, UN Mediator Exchange Messages

LD1212112895 (Clandestine) Voice of Free Tajikistan in Tajik 0600 GMT 12 Dec 95

[FBIS Translated Excerpt] As you know, government and opposition delegations have been in Ashgabat, the capital of Turkmenistan, for two weeks, but have not yet succeeded in starting the fifth round of peace talks. Recently, Ramiro Piriz-Ballon, special envoy of the UN Secretary-General for Tajikistan, sent a massage to Prof Sayed Abdullo Nuri, leader of the Islamic Movement and the United Opposition Forces of Tajikistan, and asked him to make efforts to bring the talks out of

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crisis. My colleague Firuz Azim will read the text of that message.

[Azim] To esteemed Mr. Sayed Abdullo Nuri, leader of the United Opposition Forces of Tajikistan, Taleqan, Islamic Republic of Afghanistan.

Since the end of November I have been working along with your representatives and those of the Tajikistan government with the intention of giving a fresh impetus to the inter-Tajik talks [words indistinct] a long-term manner, which reflects the interests of Tajikistan. However, the talks unfortunately face deadlock, which deeply worries me, and has prompted me to address a private appeal to you.

I will make efforts to prevent aggravation of the military conflicts in Tajikistan and the districts bordering on Afghanistan. If we are not successful in this work, I am concerned that the inter-Tajik peace talks, which are the only acceptable way of solving Tajikistan's problem, will end in failure. [passage omitted]

[Announcer reads Nuri's reply] To esteemed Mr. Ramiro Piriz-Ballon. I wish to convey my gratitude to you from the bottom of my heart for your sincere efforts to bring the situation in Tajikistan back to normal.

As you know, I and all opposition supporters are and will be in favor of solving the problems of the Tajiks through peace talks. We fully acknowledge that continuation of the war will lead to the greater part of our economy and national culture falling into alien hands, and will make the social conditions of our people more difficult. We wish to see the day when the clashes and bloodshed have stopped, and when the expenditure on war will be used to improve the conditions of the people and our dear country. [passage omitted]

In violation of the Tehran and Kabul accords, Dushanbe has for 59 days been shelling and bombing the territories under our control, using between four to eight military planes, with artillery and helicopters. As a result, many of the civilian inhabitants have been injured and have died, and many villages have been devastated. At the same time, the territory of the mujaheddin in Shuroabad has also repeatedly come under land and air attack from the government.

Although we have issued messages and statements addressed to the cease-fire observation commission, nobody has heeded them. On the very day of your arrival in Ashgabat, at 0730 on 30 November, government military planes using 500-kg bombs destroyed seven villages and, as a result, two people died and 21 were injured. In short, 12 of the 24 air raids happened after your arrival in Ashgabat. An observer delegation at your behest left for the territory of the republic on 4 December 1995, and arrived five days later.

All of this is clear evidence that the government side has never agreed to solve the problem by political means. I say firmly that the message you sent to Rakhmanov did not bear fruit, because, since the return of the cease-fire observers from the troublespots in Tavildara at 0405, government forces opened tank-fire on the villages of Ghovd and destroyed at least one house.

I am surprised at your concern over the clashes in Moskovskiy because Your Excellency is making a one-sided judgement and has not even mentioned the clashes in Tavildara. That is why I propose that two delegations of observers should be stationed in Tavildara and Shuroabad, so that they could report to you on the real situation.

Mr. Ramiro Piriz-Ballon, if truth be told, after observing all these events I cannot believe these rulers and, as you always make one-sided judgements, my confidence in you has decreased. I want your mandate to be extended, but this time a means of resolving the delay is not at my disposal, and this time I will not perform this task.

I commend you to God. In hope of peace and justice for the world community,

[Signed] Sayed Abdullo Nuri, leader of the United Opposition Forces of Tajikistan, Taleqan, Afghanistan, 11 December 1995.

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Armenia

Iranian Delegation Visits Karabakh for Release of POWs

NC1112172995 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 11 Dec 95

[FBIS Translated Text] An Iranian delegation headed by Nargiani, head of the First Directorate on CIS Affairs at the Iranian Foreign Ministry, visited Nagorno-Karabakh on a humanitarian mission.

Mr. Nargiani; Iranian Ambassador [to Armenia] Hamid Reza Negar-Esfahani; Keivan Manesh, senior expert at the Iranian Embassy in Armenia; and Dr. Nakhai, deputy head of the Iranian Red Crescent Society were received by President Robert Kocharyan in Stepanakert on 10 December.

Nagorno-Karabakh Republic [NKR] presidential press secretary Aleksandr Grigoryan reported that the participants in the talks discussed the POW problem. The Iranian side has expressed a desire to play some mediatory role in the release of the POWs.

The NKR president welcomed Tehran's noble [?initiative].

NKR Defense Minister Samuel Papayan; Foreign Minister Arkadi Ghukasyan; and Ararat Danielyan, head of the presidential staff, took part in the meeting.

The Iranian delegation held separate meetings with NKR Prime Minister Leonard Petrosyan, and Foreign Minister Arkadi Ghukasyan.

At the request of the Iranian delegation and as a good-will gesture, on the same day the NKR officials unilaterally set free another eight Azerbaijani POWs held in NKR.

All released POWs have been handed over to the Iranian representatives for return to Azerbaijan at a later date.

Vice President Receives Iranian Officials

NC1212074395 Yerevan Radio Yerevan International Service in Armenian 2000 GMT 11 Dec 95

[FBIS Translated Text] Armenian Vice President Gagik Harutyunyan received Hoseyn Nargiani, director general of CIS Affairs at the Iranian Foreign Ministry, and Iranian Ambassador to Armenia Hamid Reza Negar-Esfahani. They discussed issues relating to developing bilateral ties, commissioning the bridge being built over the Araks River, and consolidating the regional peace.

The Iranian delegation yesterday visited Stepanakert, where it was received by Nagorno-Karabakh Republic President Robert Kocharyan.

OSCE Believes 'Belligerents' Must Resolve Karabakh Conflict

NC0712222195 Yerevan SNARK in English 1528 GMT 7 Dec 95

[FBIS Transcribed Text] Moscow, December 7 (SNARK)—Vladimir Kazimirov, Special Envoy of the Russian President and Co-Chairman of the OSCE Minsk Group on the Karabakh Conflict Settlement, told Snark in an exclusive interview that the belligerents themselves should find a concrete resolution to the conflict.

According to Kazimirov, the international community in the person of Minsk process participants, is ready to help settle the problem as soon as possible. The Minsk group member-countries are still concerned about the conflict resolution. It is unknown whether Azerbaijan would join the stage-by-stage discussion of the Karabakh legal status, remarked Kazimirov. However he believes that Azerbaijan should be engaged in stabilizing the situation and break the deadlock of the NKR [Republic of Mountainous Karabakh] status issue. In addition, Kazimirov noted the conflicting sides had agreed to consider the legal status on the mutually acceptable basis. Therefore the stage-by-stage discussion of the issue is possible during the negotiation process. The final definition of the Karabakh status would be given by the OSCE Minsk conference.

Concerning the return of refugees to Shusha, Kazimirov said the issue is underway. The matter of Armenian refugees is being discussed along other issued related to the voluntary and safe return of refugees regardless of the nationality to their homeland.

Azerbaijan

Azerbaijan, Turkey, Georgia To Merge Energy Systems

LD0812210495 Moscow INTERFAX in English 1411 GMT 8 Dec 95

[FBIS Transcribed Text] BAKU, Dec 8 (Interfax) - Azerbaijan, Turkey and Georgia will work to merge their energy systems.

Their intention will be voiced in a communique on results of Azeri-Turkish summit negotiations underway in Baku. The document will be signed tonight, First Azeri Deputy Prime Minister Abbas Abbasov told Interfax.

Additional electricity transmission facilities will be build in Georgia to help transportation of Azeri early oil and increase the capacity of the Georgian railroad

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that transports cargo to Azerbaijan from the Georgian Black Sea ports of Poti and Batumi, said Abbasov.

The construction of a power line with a capacity of 380 kilowatts from Turkey to the Azeri Nakhichevan Autonomous Republic will be boosted. The new power line has a capacity four times exceeding that of the power line currently in use. It will help supply reliable electricity to the autonomy isolated from Azerbaijan, said Abbasov.

Azerbaijan has requested Turkey to write off its $25.2 million debt, additionally allocated by Turkey with the credit of the Export-Import Bank for purchases of 209,000 tonnes of grain in 1992-1994. Azerbaijan also requested Turkey for a $20 million credit for grain purchases for guaranteed bread provision of Azerbaijan next year.

Iran Rejects Caspian Gas Field Development Proposal

LD0912153695 Moscow INTERFAX in English 1321 GMT 9 Dec 95

[FBIS Transcribed Text] TEHRAN, Dec 9 (PIA - Interfax) — Iran has rejected an Azeri proposal to participate in the development of the Shakh-Deniz gas-condensate field located in the so-called Azeri Caspian sector, a high-ranking representative of the Iranian Oil Ministry told the Interfax Petroleum Information Agency. Until the question of the Caspian legal status and division of oil and gas field zones between the coastal states is settled, Iranian participation in development of Azeri and other Caspian fields is problematic, he said.

The Shakh-Deniz gas-condensate field is located 40-50 kilometers south-east of the Azeri capital Baku at a sea depth of 60-550 meters. Its stock is estimated at about 400 billion cubic meters of gas, 200 million tonnes of condensate and 100 million tonnes of oil.

Iran is interested in joint projects with Russia, including its LUKoil company, the ministry representative told Interfax Petroleum Information Agency. Teheran has submitted to the Russian company documents on ten oil projects in the Persian Gulf, recently put out to tender by Iran. The cost of each project varies from $1 billion to $4.5 billion.

Iranian Deputy Minister Visits To Discuss Relations

LD1112133095 Moscow ITAR-TASS in English 1242 GMT 11 Dec 95

[By Oleg Kuzmin]

[FBIS Transcribed Text] TEHRAN, December 11 (Itar-Tass) — Mahmud Va'ezi, Deputy Foreign Minister of Iran is being sent to Baku today in an attempt to normalize Iranian-Azeri ties. As it is reported Mr. Va'ezi will hold talks with Azerbaijan's president Geydar Aliyev and other officials.

A source in the Iranian foreign ministry, commenting on Va'ezi's tour, described the current state of relations between Tehran and Baku as "cold". Bilateral frictions are caused by the problem of the Caspian Sea's legal status, this source said, and only its settlement can help bridge the abyss.

Meanwhile, speaking during the inauguration of an international conference on the Caspian Sea's oil and gas, Va'ezi called on the states bordering the Caspian Sea not to take hostile stances against one another and spoke in favour of approving a comprehensive legal solution acceptable to all bordering countries.

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Estonia

Kallas Admits Border Talks With Russia Deadlocked

LD1112203095 Tallinn Radio Tallinn Network in Estonian 1800 GMT 11 Dec 95

[FBIS Translated Text] The border talks with Russia are deadlocked at present, Foreign Minister Siim Kallas acknowledged today, during the Riigikogu information hour. New opening moves are required so as to continue, he said. Inside Estonia, political agreement must be reached as to under what conditions a border agreement can be concluded, Kallas noted.

Minister Reports 'Impasse'

WS1212120495 Tallinn BNS in English 1900 GMT 11 Dec 95

[FBIS Transcribed Text] Tallinn, Dec 11, BNS — Estonia's border negotiations with Russia have come to an impasse, Foreign Minister Siim Kallas admitted Monday in parliament.

"Since the talks over a border agreement are in a deadlock, new openings are needed to proceed with them," he said.

Kallas said Estonia must set up a delegation for border negotiations with Russia. He added that the Foreign Ministry has prepared relevant documents, which will soon be submitted for consideration to the government.

"Estonia needs to come to a political agreement over the conditions on which it is prepared to conclude a border agreement," the foreign minister said. "I intend to start consultations over this with the political forces represented in parliament after the ratification of the July agreements."

The foreign minister noted that Estonia is in no hurry to conclude a border pact with Moscow. "Meanwhile, Russia is not interested in a border agreement with Estonia, either," he stated.

Estonia and Russia have reached agreement in principle that the state boundary is to follow the present control line. Tallinn insists on the recognition of the 1920 Tartu Peace Treaty by Russia as a precondition for a new border pact. Russia so far has refused to acknowledge the treaty.

The border negotiations are expected to continue later this month in St. Petersburg.

Commander Rejects Role in Proposed Naval Force

LD0812164295 Tallinn Estonian Television Network in Estonian 1900 GMT 7 Dec 95

[FBIS Translated Excerpt] The Western European Union's Assembly has proposed setting up a joint Nordic naval force, the Hanseatic corps, so as to make patrolling the Baltic Sea more effective. The proposal envisages that the corps be made up of German, Danish, Polish, Latvian, Lithuanian, and Estonian naval vessels.

[Correspondent Rivo Saarna] The future Hanseatic corps will be engaged in border control, rescue services, environmental protection, and checking of ships. [passage omitted]

Estonian Navy Commander Roland Leit has told ETA that Estonia is not ready for the creation of any Baltic naval force because the Estonian Navy has not yet been endorsed by legislation. The only Estonian warship is the minesweeper, Sulev. The other minesweeper, Vambola, is currently under repair. In addition, Estonia has but a few patrol boats and auxiliary vessels. [passage omitted]

Latvia

Minister Confirms Interest in Bosnia Peacekeeping

LD0712210795 Riga Radio Riga Network in Latvian 1900 GMT 7 Dec 95

[FBIS Translated Text] Latvia is interested in participating in the planned NATO peacekeeping operations in Bosnia-Herzegovina, Latvian Foreign Minister Valdis Birkavs has affirmed, speaking in Brussels yesterday at the meeting of foreign ministers in the North Atlantic Cooperation Council. By participating in these operations, it would be possible to strengthen Latvia's security and international prestige. It would also be a real testimony to our country's interest in taking part in current international processes for strengthening European security, said Birkavs. The leadership of the Latvian National Armed Forces has expressed readiness to send to Bosnia one army platoon in not less than six months. However, before that the Cabinet of Ministers of Latvia and the Saeima deputies must take the appropriate political decision.

Russian Attache Says Military Threat 'Unfounded'

LD0812133195 Riga Radio Riga Network in Latvian 1300 GMT 8 Dec 95

[FBIS Translated Text] Russia's military threat of bringing troops into Latvia if it joins the NATO is unfounded. The reports spread in the press do not correspond to the truth, said (Nikolay Samoylenko),

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the Russian military attache to Latvia, today. Before departing for Latvia, (Samoylenko) met with the heads of the General Staff of the Russian Armed Forces, who confirmed there is no threat of preparations to attack Latvia. This morning, (Samoylenko) was accredited to the Ministry of Defense.

Russian Citizens Allowed To Vote in State Duma Elections

LD1112182695 Riga Radio Riga Network in Latvian 1600 GMT 11 Dec 95

[FBIS Translated Text] Russian citizens in Latvia will also be able to participate in elections to the Russian State Duma on 17 December. Both Russian citizens living here permanently and those who have come here for a limited period will be able to vote in Latvia. The appropriate agreement with the Latvian Government provides that voting may take place at Russian diplomatic representations in Riga, Liepaja, and Daugavpils. It should be added that the number of Russian citizens permanently residing in Latvia is currently not known, even approximately.

Ulmanis Holds Talks With German President in Berlin

LD1112194895 Riga Radio Riga Network in Latvian 1800 GMT 11 Dec 95

[FBIS Translated Text] Latvian President Guntis Ulmanis today stated that his visit to Germany was currently more important than the choosing of prime minister.

[Correspondent Arnis Krauze] I hope that during this visit I will succeed in giving to the German people a better insight into Latvia's present and processes of our development. This is how Guntis Ulmanis today described his four-day visit to Germany at a dinner held by the German federal president. Before the official dinner, the presidents of the two countries had half-an-hour long talks. German Federal President Roman Herzog stressed that the European Union could not move forward without the Baltics. Herzog also noted that relations with Russia were important for Latvia.

On the first day of his visit, Guntis Ulmanis made a speech at the European Academy in Berlin. In his speech, the state president expressed the desire for Latvia's border with Russia to become the European Union's cooperation and trade border with Russia. Three hundred years ago, the Russian tsar violently cut in Latvian land a window into Europe for Russia. Now Latvia is offering to Europe doors to Russia, the state president said.

Speaking about Latvia's involvement in European structures, Guntis Ulmanis noted: We want to join the European Union but do not want to be admitted into it only formally. The issue of the European Union's future and Latvia's place in this organization is one of the main issues under discussion during talks with leading German politicians and financiers.

Almost two-hour long talks with Federal Chancellor Helmut Kohl are scheduled for Guntis Ulmanis tomorrow.

Germany Pledges Support

LD1112203295 Moscow ITAR-TASS in English 1947 GMT 11 Dec 95

[By Aleksey Korinenko]

[FBIS Transcribed Text] BERLIN, December 11 (Itar-Tass) — German President Roman Herzog has assured the Latvian leadership of Germany's further support.

Speaking at a dinner made in honour of Latvian President Guntis Ulmanis, Herzog said that Germany sincerely supported Latvia's strive to become a member of the European Union. Germany is also ready to help develop legal structures of the democratic state and the system of market economy.

At the same time, the German president stressed the need to develop cooperation between Latvia and Russia. During the European integration, Russia will play an important role. Relations between the Baltic countries and Russia are an important element to strengthen European stability, Herzog said.

The Latvian president arrived in Germany on a four-day visit. Today, Ulmanis will meet Berlin burgomaster Eberhardt Diepgen, give a report at the European Academy and visit Potsdam. On Tuesday, the Latvian leader will arrive in Bonn to hold talks with Chancellor Helmut Kohl and Foreign Minister Guenter Rexrodt.

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